

Ceridian survey | reveals unnecessary exits could be costing businesses



A survey released today from Ceridian, one of the largest providers of human resource services in the world, has revealed that unnecessary exits from organisations could be costing

businesses up to £5.14billion in recruitment*, with one in 33 respondents saying they would rather leave a company than ask for a salary increase.

The results suggest UK workers are uncomfortable about asking for a pay increase, a staggering one in six employees said they would never dream of asking for a pay raise. Age is also a factor in this it seems, with older respondents more prepared to take the bull by the horns. Just 19% of under 34s feel comfortable asking for a pay rise while 81% of over 35s feel confident asking for extra money.

Men were also revealed to be more direct about asking for a pay increase. Of the 8% of respondents who claimed they would negotiate hard for a salary increase, three quarters were men.

We have also proved to be a secretive nation with 53% of high income earners earning over £40,000 not sharing their salary details with family members. However despite this, the survey of over 1,000 full time UK employees also suggests we are a nosy nation, with 46% expressing an interest in what colleagues earn.

Regardless of being so secretive the survey revealed what a nation of hypocrites we really are: over half of the respondents said they would be interested to know what their colleagues earn but nearly 70% wouldn't tolerate having their salary details disclosed to their colleagues.

The survey also indicates that the younger people are the more interested they are in knowing how much their colleagues are paid, with 72% of 18-24 year olds indicating this as opposed to only 29% of over 55s.

Karan Paige, Chief People Officer of Ceridian UK, the company which commissioned the survey, commented: "There tends to be a strong correlation between successful companies and a reward strategy that has the correct balance between fixed and variable pay, with the variable element being strongly aligned to performance. These companies also tend to be better at practising differentiation, so excluding poor performers from bonus payments and disproportionately rewarding great performance.

In such companies, base pay tends to be linked to a grade framework, which is

publicised across the organisation. Whilst top performers are known and celebrated throughout the business, the specifics of bonus payments and their wider remuneration package remain confidential.

This approach gives transparency on core salary data and on high and low performers whilst maintaining privacy on absolute total compensation.

Our research also reinforces the importance of performance reviews, and how if managed correctly, these can help retain your top talent as well as saving the business from incurring unnecessary recruitment costs.”

Piers Hollier, a business psychologist at Getfeedback, commented: “Ceridian’s survey shows what a status driven society we have become and in this day and age salary clearly represents status. One of the reasons people might choose not to divulge their salary details with their family could be because it puts a cash value on them. This can especially be the case with competitive siblings.

He added: “It’s not that hard to see why older people aren’t hugely interested in others’ salary. They have learnt what they can expect to earn for certain roles but young people don’t yet have that frame of reference. Equally, older people may be more content with their work-life balance and salary isn’t the only thing on their minds at this stage in their life. This isn’t the case with younger people who are still striving to develop a work-life balance.”

* The CIPD's recruitment, retention and turnover annual report 2008, states that the average recruitment cost of filling a vacancy per employee is £4,667, increasing to £5,800 when organisations are also calculating the associated labour turnover costs.

* According to the Office for National Statistics, Economic and Labour Market Review June 2008 edition employment is at 29.54 million

About Ceridian

Ceridian is a business services company that helps its customers maximise the power of their people, lower their costs and focus on what they do best. Globally, the company serves more than 25 million employees with a range of HR, payroll, Employee Assistance Programmes and funds transfer services, making it one of the few providers delivering services both locally and internationally.

In the UK, Ceridian serves one in eight people employed in the private sector and delivers multinational services in over 40 countries. At the heart of its winning approach is a unique combination of best of breed technology, customer service and HR expertise, designed to enable HR to make a real commercial impact.

Ceridian helps UK companies to increase the value of their human capital, lower their costs and focus on what they do best.

For more information, visit www.ceridian.co.uk

Published Friday, 25 July 2008 by Editor
Filed under: reward strategy, salary data, pay rises