



The IT Manager's Guide to Designing Compensation Beyond Salary

FINITE



When you know how to create great compensation packages it means you can recruit the best talent.

And hold onto it.

Offering employees benefits packages that are flexible or tailored to their specific circumstances also helps staff feel valued. Which has flow on effects to establishing a great long lasting company culture.

Companies are beginning to realise that while salaries will always remain an important factor, it is other benefits and perks within packages that are increasingly attractive. It gives the best talent more of what they really value and gives organisations looking to attract them more options than just waving bigger and bigger paychecks around.

The best candidates know they are in high demand so are looking for things to differentiate between companies.

If two companies both offer a good but similar salary, which one will a candidate ultimately go for?

The one offering a flexible schedule with tailored benefits, or a standard, unremarkable package?

In this guide, we detail what kind of approaches you can use to move away from those rigid packages towards compensation packages that are flexible, suit the individual, and ultimately are highly attractive to the cream of the crop.

The complete package

The most important thing to understand when designing a compensation package is to avoid using a one size fits all approach.

Instead you should be using knowledge gained from talking to a potential employee during and after the job interview to put together a tailored package that suits them.

In some cases, you may have a candidate that strongly favours a higher salary over any other benefits or perks. And that's fine. But in most cases you can actually design a package with a slightly lower (but still competitive) salary, that is still more attractive to a candidate because it takes into account their personal circumstances, values, and priorities.

More and more Australians now value work-life balance over any other factor, including perks. While perks such as free lunches or games rooms have recently been made more popular by many of the larger tech companies and collaboration spaces such as We Work, it's actually benefits related to a better work-life balance that people value most highly.

This was reflected in a recent SEEK survey of nearly 5,000 Australians, which revealed that 33% cited work-life balance as the most important factor when choosing a company to work for, while only 2% were attracted by perks.

But what exactly does a compensation package with a focus on work-life balance look like? And how exactly do you go about designing that kind of package?

It all needs to start before you've even finalised the candidate you want to hire - in the interview.



The interview

Use the opportunity presented while interviewing each candidate that you think could be right for a role to find out more than just their technical suitability. You also need to be asking questions that give you an understanding of the person themselves. This provides a more in-depth insight into their true suitability for the position as well as valuable information on what their priorities are likely to be.

Are they younger or older? Do they have a long commute? Do they have kids? Do they have hobbies that require extra holidays? Are they likely to really value extra leave?

These are the questions that will reveal the kind of benefits likely to appeal to them most. Yes salary is important, but increasingly today both candidates and employers are understanding the importance of work-life balance so candidates will absolutely accept a role with a similar but lower salary if it comes with other benefits that are important to them.

So try and find out answers to as many of these types of questions as possible. You don't need to be overly pressing or come across like you're probing for information but people also genuinely appreciate being asked about their personal interests, hobbies, and what their priorities are.

What types of benefits should you consider?

Here are some of the benefits that candidates value most:

Flexible working hours

For many people, particularly parents, flexible working arrangements can be very attractive as they provide an opportunity to spend time with their children. No one wants to be the parent who always has to miss their children's school events. For others it may mean the chance to attend their favourite gym class or pursue a hobby. Flexible work hours also extends to other options such as working from home one day a week or longer/shorter days on different days of the week.

Extra leave

Offering generous or even unlimited leave can sometimes be the answer to crafting the perfect compensation package. This is especially the case for those with hobbies or interests linked to travel such as hiking or surfing or just for people who enjoy travelling a lot.

Training and development

For most, career progression is a universal goal. Everyone likes to feel that they're advancing in their skills and training and development is an integral part of that. Consider adding in specific training weeks/days, paid training leave, mentoring, or the opportunity to attend conferences and ticketed events.

Health fitness and wellbeing

Awareness of the importance of physical and mental health and wellbeing is becoming an ever increasing part of people's lives. Workplaces can look to offer things like gym memberships, fitness classes, yoga or meditation sessions, exercise breaks, health care plans, or personal trainers.

Relocation

Relocation to be closer to family or a partner can be a deal breaker for some people. If you can offer this as part of your compensation package, and someone wants this, you will be way ahead of the competition. Some people will also really value the opportunity to work for a period of time in another office location. Have additional offices in Singapore, Auckland, New York, or London? Then let them know there may be opportunities in the future to work there.

Volunteering opportunities

Volunteering opportunities are a great way to help people feel as though they are giving back to their community. Make them aware that there are opportunities to take part in programs such as Meals on Wheels, Sydney Story Factory, or Our Big Kitchen.

Crafting the offer

Just because you're looking to create an attractive package that isn't focused solely on the salary doesn't mean you can ignore setting a budget. Know and set a salary limit for the role, which then allows you to focus on other aspects of the package that you can use to make it more attractive.

Since you will have developed a few insights into the candidate during the interview, you should now have an idea about what they most value in life and which of the types of benefits they might be most interested in. So from talking about their individual situation, you are now aware that a particular older candidate is very likely to value having flexible working hours to get to and from work because of a long commute and would likely also be interested in some extra parental leave as they have two young children.

For a younger candidate with no children, they may be more interested in extra training and career development courses as well as the opportunity to relocate temporarily to one of your international offices.

Customise your way to success

The key is customising each offer. It's what candidates want and it's the number one feature you can use to make your compensation package more attractive. Be flexible in the types of offers you make to candidates, so each one is tailored to the specific person. And be prepared to continue to be flexible after you take on a new hire. You should be ok with allowing staff to trade-in existing benefits for new benefits from time to time if their situation changes, for example if they move to a new location or have children.

Another major positive this flexible approach brings is if your company starts to become known for offering good benefits, you will begin to find it easier to recruit top talent in the future. And you may even start to notice some positive effects with respect to your company brand and marketing too.

Attracting the best talent is a skill. And crafting great offers is a vital part of that skill. To learn more about the best strategies to find and hire the best talent, talk to the experts at Finite.

Finite IT

Finite are experts in the Australian tech sector and can help candidates understand exactly where their skills are most in demand.

For twenty years, Finite has been helping candidates find their dream tech, digital and business transformation roles.

From humble beginnings, we've grown into a broad network of specialist recruitment professionals, who can help connect you with amazing career opportunities.

We understand that just as each job is unique, each candidate is unique. So, we focus our energy on giving you access to the best companies, leaders and roles that align with your individual personality, vision and goals.

Interested in finding out more? Get in contact with your local Finite office today.

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