

A full-page background image showing three business professionals—two women and one man—standing in a modern office with large windows overlooking a city. They are all wearing business attire and have their arms crossed, looking directly at the camera. The man is in the center, wearing a dark suit and a striped tie. The woman on the left is wearing a light blue button-down shirt and grey trousers. The woman on the right is wearing a white short-sleeved button-down shirt and a grey skirt. The office has a bright, airy feel with natural light coming from the large windows.

## How Incentive Compensation Can Be Used to Acquire, Retain and Motivate Talent

# How Incentive Compensation Can Be Used to Acquire, Retain and Motivate Talent

## Contents

- 03 Introduction
- 04 Competition for Talent Heating Up
- 04 Business Intelligence is Key
- 05 Reevaluate Compensation Packages and Programs
- 05 Improve Accuracy of Pay Outs
- 06 Role of Incentive Compensation Software
- 06 Manage Employee Data in One Dashboard
- 07 Put Resources Toward Growing Business, Not Managing Payroll
- 07 Software for Flexibility
- 08 Conclusion

## How Incentive Compensation Can Be Used to Acquire, Retain and Motivate Talent



**If companies fail to come up with an appealing pay rate, they may not recruit the talent they need to put them over the edge.**

As companies recruit and retain workers to sustain their growth, they are entering a more competitive marketplace not just for customers, but also for talent. The competition for the best workers is becoming more fierce, and companies are finding they need to readjust their compensation packages based on the worth of the skills, experience and other unique qualities of their workers. If companies fail to come up with an appealing pay rate, they may not recruit the talent they need to put them over the edge.

But what makes compensation packages competitive?

To answer this question, employers will have to go in-depth and decide whether their current processes for salary planning and evaluating worker value is up to date. Companies will likely need to readjust their incentive compensation based on job markets and economic conditions to enhance their attractiveness to talented workers. To achieve their goals, firms could implement incentive compensation software to improve their processes and ensure they are paying workers what they are worth.

## Competition for Talent Heating Up



While companies may not know it, they are in a tough battle for qualified workers. Labor shortages combined with evolving needs for certain skills and talents make it necessary to fight for the employees companies need to grow.

According to a survey by the Manpower Group, 2014 saw the highest percentage of global employers who said they had a talent shortage since 2007. The survey found 36 percent of employers around the world said they experienced talent shortages in 2014.

To stay at the top of their industries, companies need to be aware of market conditions and the incentive compensation levels of their competitors.

## Business Intelligence is Key

Companies need to know both the external and internal factors that will contribute to their success and determine the direction of their business goals and employee compensation.

### External factors include:

- General economic conditions
- Opportunities for market expansion

### Internal factors include:

- Sales resources
- Employee capabilities to meet sales quotas

## Reevaluate Compensation

### Packages and Programs



A report from the Society for Human Resource Management revealed 50 percent of HR professionals said they faced growing competition from other employers in 2014. Not only did they have to hire in a more difficult recruiting environment, but companies also must have a competitive compensation package. The survey found 37 percent of HR professionals were unable to fill positions because the candidates did not accept the compensation packages offered. Companies could install sales performance management solutions to match the correct compensation package based on workers' performance.

### Improve Accuracy of Pay Outs

**When companies do not pay their employees adequately, they risk their workers moving on to competing firms.**

It's not enough for companies to know the ballpark figure for paying their star workers. They also need to determine whether they are paying workers accurately. Companies could use sales analytics to determine whether they are paying their employees the correct amount each time through automated processes.

Employers also need to maintain the balance between compensating employees high enough to keep them motivated and overpaying their employees. When companies do not pay their employees adequately, they risk their workers moving on to competing firms. However, paying

workers too much could result in companies paying more than what employees are worth on the job market and not achieving their desired goals at the same time.

## Role of Incentive

### Compensation Software

**Software to manage performance data is an important tool to ensure employees earn these rewards through meeting company objectives.**

Since companies are considering boosting pay for their most talented workers, they will have to make sure they are paying their workers accurately based on their performance data to protect their bottom line while continuing to grow their business. As pay for performance is an integral part of incentive compensation programs, software to manage performance data is an important tool to ensure employees earn these rewards through meeting company objectives.

## Manage Employee Data In

### One Dashboard

Through incentive compensation software that operates in the cloud, companies can streamline their sales performance management processes by looking at employee performance data in one platform. Rather than relying on outdated solutions like spreadsheets, cloud-based software has added flexibility that allows employers to collect information on key performance indicators tailored to achieving their specific sales goals. Companies can choose the sales effectiveness metrics that will help them meet their business objectives, including revenue per

## Put Resources Towards Growing

## Business, Not Managing Payroll



**Companies often plan for growth, whether that's expanding into a new market or selling a new product.**

sales, number of leads contacted and more.

Although businesses may not realize it, they may be wasting money on managing payroll. Not only do companies spend money on payroll software, they also may be paying workers for administrative tasks, such as entering data manually. Since inputting data by hand could lead to mistakes, companies could consider replacing these time-consuming and resource-heavy tasks with automated software solutions. Incentive compensation software that records and analyzes performance data in real time could replace these solutions so companies can shift these resources back to growing the company.

## Software for Flexibility

Companies often plan for growth, whether that's expanding into a new market or selling a new product. However, their current technology may lag behind. Firms could spend money on software with built-in scalability to give employers the flexibility to grow their incentive compensation technology along with their business. When companies revise their compensation programs, they can then modify their metrics to factor in these changes easily rather than having to purchase entirely new software.

Through managing incentive compensation and payroll using advanced, cloud-based solutions, companies can focus on their

## Conclusion

To remain competitive in their industries and battle for talent, companies should ensure their compensation packages match what their employees are worth as well as motivate workers to accomplish sales targets at the same time. Firms could use incentive compensation management solutions to stay on track with their compensation budgets and monitor the effectiveness of their pay programs.

1. [proformative.com/blogs/ernie-humphrey/2014/12/05/incentive-compensation-plan](http://proformative.com/blogs/ernie-humphrey/2014/12/05/incentive-compensation-plan)
2. [shrm.org/hrdisciplines/staffingmanagement/articles/pages/2015-job-market.aspx](http://shrm.org/hrdisciplines/staffingmanagement/articles/pages/2015-job-market.aspx)
3. [manpowergroup.com/wps/wcm/connect/0b882c15-38bf-41f3-8882-44c33d0e2952/2014\\_Talent\\_Shortage\\_WP\\_US2.pdf?MOD=AJPERES](http://manpowergroup.com/wps/wcm/connect/0b882c15-38bf-41f3-8882-44c33d0e2952/2014_Talent_Shortage_WP_US2.pdf?MOD=AJPERES)



3420 Executive Center Drive, STE 250  
Austin, TX 78731  
877-ICONIXX

[www.iconixx.com](http://www.iconixx.com)