

Six Figures Survey October 2008

What You Need to Know About Attracting & Retaining High Salary Earners

Six Figures recently conducted a survey of over 100 people earning \$100K+ salary packages across a myriad of professions to find out what their key drivers were when it came to changing jobs or career. What really stood out from the results was that the drivers for this market segment are very different to other market segments. However many businesses still have a “one approach fits all” attitude when it comes to attracting talent (the exception being graduate recruitment) and wonder why the talent is not biting! The talent is indeed out there, it is just that businesses need to adopt a more progressive and targeted approach to lure them.

Profile of high salary earners

The profile of the high salary earners market segment varies to other market segments in that the majority (over 80%) are currently employed. When you look at generalist job sites you find that this percentage is about 50%.[\[1\]](#)

Though graduate salaries are rising generally, within the Finance and Engineering sectors some graduates are achieving a six figure salary package straight out of university, although this is the exception rather than the norm.

Of the 15,000 members registered on Six Figures the breakdown by age group is as follows:

- 10% 20 - 29 years
- 55% 30 - 39 years
- 24% 40 - 49 years
- 10% 50+ years

Our membership survey shows that what drives the six figure income market segment is different to most. What they indicated as ‘extremely important’ in their decision to change jobs, in order of importance, were:

1. Leadership Team
2. Career Progression Opportunities
3. Salary Package
4. Employer Reputation
5. Calibre of Colleagues
6. Flexible work hours
7. Opportunity to do a different role
8. Training opportunities
9. Other benefits offered

[\[1\]](#) Rob McCovern, Job Fox

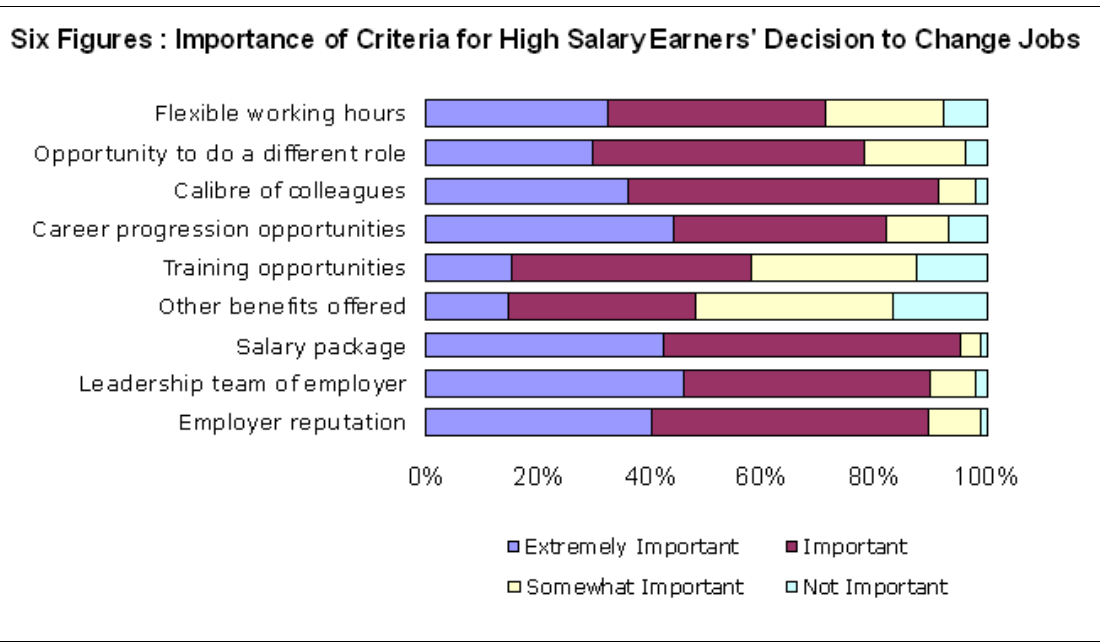


Table 1.0 – Importance of Criteria for High Salary Earners' Decision to Change jobs

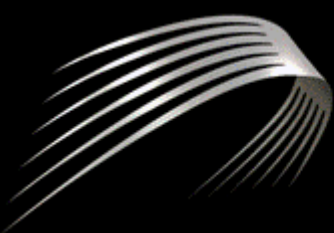
Work life balance, flexible working hours and other such benefits were much lower in the ranking. Many employers fail to take these drivers into consideration when advertising to attract talent at this level, particularly in the job ads.

That is not to say that salary is not important to this market segment. If you ask most people of course they would prefer to earn more than less. However, increasingly once you have reached a six figure salary, the drivers around work may change. You have achieved a level of financial security and now other factors increase in importance.

What really stood out from the results was how high salary earners are really wanting "in-depth" information about the companies they are considering joining. This market segment even put the calibre of the leadership team at a prospective employer above salary.

To be expected, the key issues around why people stay in a business are the same as those that businesses and boards need to focus on to attract top people. Below we have explored these top three drivers in more detail and explored what businesses can do more effectively to attract and retain top talent.

- 1. Leadership**
- 2. Career Progression Opportunities**
- 3. Salary**



Leadership

A big issue that impacts on the decision of whether your top senior people stay is the calibre of leadership. The level of leadership that a business displays and the opportunities for senior and executive staff being kept engaged and challenged as they learn from those above them, and around them, is crucial to retaining your best people.

Research shows that one of the top reasons why people leave an employer is due to poor management or, if you are sitting at the executive level, poor leadership. Unfortunately, many organisations fail to address the issues of poor management or leadership, as it is one of the most challenging areas to address. Those organisations that do it well are those that have regular 360 degree feedback, reviews, and management training & development. In these situations taking action is better than inaction; even though inaction tends to be the more common and damaging approach.

For high performers it is hard to achieve great things without great leadership and a team of staff that are switched on, motivated and engaged. Jim Collins in 'Good to Great' talks about getting the right people on the bus and the wrong people off the bus; the right people are not only the brightest they are the most enthusiastic, committed and passionate people. Again, if you look at world class businesses they have an amazing leadership development model where employees are continually being measured, rewarded and challenged; it works.

Career Progression

Opportunities for mentoring, moving into new roles across divisions, moving up, business coaching, overseas secondments and so on all help to keep staff engaged. It is unreasonable to hire a talented executive and expect them to hang around if their own personal developmental needs are not being met.

This group is by nature very focussed on being challenged. They also want to work for an organisation and leader who invests in their development, just as they invest their time and energy into seeing the organisation succeed. Providing your executives with a growing workload, however, does not provide them with real challenges that deliver a sense of achievement for them to stay with the organisation.

As a retention strategy, more organisations are now seeing the value in engaging career coaches or business coaches to work with their executives to both assist them in gaining value out of their current role and or planning their next career moves; be that with the company or external to the company. Succession planning is another area that businesses are increasingly seeing the value in implementing as a retention strategy that also forms part of the overall business plan and strategy.

As a part of our research into understanding this market segment of high salary earners, 75% said that they would take a salary cut to be able to do a job they are capable of doing that is different to what they have done in their past working career. Career progression does not necessarily have to be up; it can be lateral and is around providing your executives with stimulating work opportunities.



Salary

Salary is of course another decision that comes into play when a senior staff member or executive is looking to move on; however, it is third on the survey.

A recent Hudson report on Candidate Buying Behaviour is a good reference tool. The report is not specifically focussed on the high salary earner, as those surveyed ranged in age from 20 to 50 years, and half earned less than \$50K. The overall findings showed that, for 63% of those surveyed, salary was the key trigger when it came to seeking new employment. The top three drivers were;

1. Salary
2. Career development
3. Work life balance

So whilst salary is the primary driver across the general market place this does not ring true at the executive level. If businesses and boards are aware of the decision-making rationale for staying, and knowing that at the top level salary plays only a part (i.e. is not the overriding factor), then the opportunity to retain staff becomes far easier.

Desire to Make a Job or Career Change

Unfortunately for most high salary earners their future job opportunities are very much dictated by their past roles they have held and industries they have worked in.

A continual frustration of job seekers is that they are only ever considered for jobs they have done before, which when it comes to sourcing talent is somewhat illogical as talented individuals don't go from one company to another to do the same job.

When we surveyed this group of high salary earners and asked "Would you take a salary cut to be able to do a job you believe you are capable of doing, even if it is different to what you have done in your past working career?" the response was overwhelming. A very large 75% of high salary earners would be willing to take a salary cut to do a different job. What was even more surprising was the percentage salary cut they would take for this to happen. The majority (47%) would take between a 0 -10% salary cut, whilst the next largest group (46%) would take a 10-20% cut to pursue an alternative job or career path.



Willing to sacrifice salary to change career

Nil	24.5%
0-10%	35.5%
10-20%	34.5%
Over 20%	5.5%

Table 2.0 – Percentage of job seekers willing to take a salary cut

Willing to move jobs in 2008

Will Definitely Move	24.3%
Likely	28.0%
Unlikely	39.3%
Will Not Move	8.4%

Table 3.0 - Intentions to change jobs in 2008

Even with an uncertain economic climate, the intentions of high salary earners to move jobs in the latter part of 2008 remain high with 24% saying they will definitely move and 28% saying it is likely. Only a small percentage, 8% say they will not move.

When you analyse the situation you will find that the best applicants for a job often have had a successful career where they have utilised a suite of skills and bring those unique yet intangible qualities of leadership, creativity, problem solving, empathy, EQ and so on. These characteristics are often the reason behind them being successful with past employers and that have led to their promotion. Yet when the same person becomes an applicant in the marketplace they are quickly disregarded from any job opportunity where they have not performed the job before. Selection is normally based on matching the applicant who has done the same or very similar role before – leaving the organisation to hire someone who is average or who will get bored very quickly and move on.

Summary

This research provides valuable insight for employers looking to attract top talent around what information they need to be sharing to engage this segment enough for them to want to apply for a position.

Businesses are only just starting to realise that different market segments require a different approach. By and large businesses have traditionally been great at dealing with this for graduate recruitment however they have not extended it to other market segments. This is something new and we are starting to see it being acknowledged and addressed.