



1st Quarter 2015 Newsletter

Compensation and Related Trends for 2015

- Salaries and wages for construction firm executives, office, and field management employees will increase modestly during the year, somewhere between 2.5% to 4.5%.
- Most job switching purely for higher compensation has already taken place and now workers increasingly want to focus on furthering their careers.
- The majority of companies have placed a high priority on retaining key employees and developed programs to help with that; those companies that haven't are behind the curve.
- Worker shortages in some crafts and some locations are putting pressure on hourly wages; wage increases for field employees are highly dependent on the specific trade and specific location.
- Hiring (or rehiring) of HR professionals will continue to pick up as companies focus more efforts on recruiting, training, minimizing benefits cost increases, and improving their HR systems.
- As baby boomer business owners approach retirement, succession planning and associated plan implementation continue to be priorities for many companies.
- More emphasis on incenting desired employee behaviors in incentive plans as companies get more focused on rewarding behaviors that lead to company and individual success rather than just rewarding on financial results.

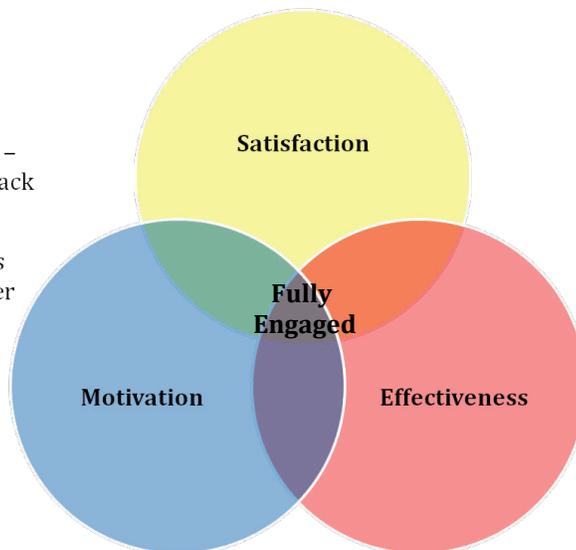
Employee Engagement = Employee Retention

Managers of best-in-class companies realize that retaining high-performing, key employees is vitally important for sustaining long-term financial success. Research has shown that fully engaged employees are highly likely to stay employed with their companies. The illustration below shows the three components of employee engagement:

Satisfaction – enjoying one's work – feeling adequately rewarded – knowing management expectations – accurate/timely performance feedback

Motivation – working at a high and sustainable level – feeling one's work matters – knowing one's career path

Effectiveness – successful at one's work - meeting or exceeding expectations of co-workers & customers



Article Spotlight



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A Word from Rick Sharpnack



Employee retention will be the theme of the next few newsletters. It is too difficult to find and hire great employees and when you have them, the last thing you want is to lose them to your competitors. There are many moving parts for a great employee retention program, some methods use additional compensation and some don't. Companies that are known for being great places to work are great at assessing employee performance, soliciting employee feedback, listening to their employees, and understanding what their employees want. They also have best-of-class total compensation programs.