



# The Compensation Conundrum: How your work culture and training can keep good employees

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(<https://fastfuture.org/wp-content/uploads/2022/08/hiring-job-interview.jpg>)

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We chatted with Raleen Gagnon (<https://www.linkedin.com/in/raleen-gagnon-45974a1/>), VP and general manager of Total Talent Intelligence at Magnit (<https://www.linkedin.com/company/magnitglobal/>), about the challenge of finding skilled candidates to fill open positions. Can you compete with Microsoft or Google? Can you use Google to help you research the market? Is higher compensation the only way to attract employees?

Here's an edited version of what she had to say.

*Editor's note: This is part 3 of a three-part series. See part 1 (<https://fastfuture.org/itsr-featured-interview/the-compensation-conundrum-part1/>) and part 2 (<https://fastfuture.org/itsr-featured-interview/the-compensation-conundrum-part-2/>).*

## Where can I get the data I need to make these decisions and stay competitive?

People are the fuel for our business, no matter how much automation, no matter how much machine learning and artificial intelligence we have. People are the ones who are designing that, integrating it, monitoring it, maintaining it, fixing it, you know, it needs input from us. And, you know, we need to invest in our people, because as soon as you start to lose high performers, it should be a flag of, "What should we have done differently before that happened?"

And now if we're taking pulse surveys, and people are going on a regular basis providing input into, "How long do you plan to stay with the organization? Are you actively looking for work?" I mean, some of the responses I know organizations are getting, they should be startling, and it should be an immediate let's go back: "Maybe we can't increase everyone's salary permanently. Maybe we can't increase the hourly wages. Can we do a one-time bonus? Can we change the way we pay our bonuses now from an annual or semiannual to quarterly? Could we do quarterly bonuses on a monthly basis?" I mean, some organizations already do that, where you get a bonus on a monthly basis. Others are annual and some are quarterly. You know, in some companies, you get paid twice a month on certain dates. In some, you get paid every other week, on a certain day. In some, you get paid every week. That makes a substantial difference to an individual and how they're able to access and tap into their compensation. Maybe getting paid more frequently or getting bonuses more frequently will be just as meaningful as an actual increase, because it shifts when and where they can have access to funds in different ways. So, again, it's not one answer. It's different options that you have, and they don't all have to be permanent.

Earlier in your comment about you know, we can't compete with the Microsofts, well, in some cases, you're competing with them whether you want to or not, because major organizations, large enterprises, they are now hiring anywhere and everywhere, they're taking advantage of the opportunity to hire remotely. And so if you're sitting in Raleigh, North Carolina, or you're sitting in Alabama, you know, you may be looking at and monitoring your local competitors. But the reality is, the majority of the job postings on your local sites are probably coming from companies that aren't even there. I saw this recently, it was looking at a community in Fort Lauderdale, I think, or Fort Myers. And we were looking down in this region of Florida and the largest employer was Boeing, who has no operations there. But they're hiring all of these software engineers and having them work remotely for other facilities and locations.



(<https://fastfuture.org/wp-content/uploads/2022/09/Raleen.jpeg>)

Photo courtesy of Raleen Gagnon

## Flexibility, Without Guidelines, is Not a Policy

### TOP RISKS

Individual choice can lead to inequality

Compliance can lead to cost

Accountability can lead to complications

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Source: [Magnit Pay Intel™](https://magnitpayintel.com)

(<https://fastfuture.org/wp-content/uploads/2022/11/Gagnon-slide-5.jpg>)

Image courtesy of Raleen Gagnon



### Employers that are Successfully Hiring Remotely:

1. Know which roles are remote optimal
2. Know which markets have the talent they need
3. Know the right wages for those roles in their target markets
4. Convey their employee value proposition remotely
5. Have a formal remote hiring and hybrid work policy in place



If you go to almost any city right now, when you look at who has the highest volume of hiring for job postings for different IT roles, you're gonna see General Dynamics Information Technology Systems at the very top of the list, but they're only in four or five markets. They're just hiring anyone remotely. And in some cases, they're hiring where they used to have facilities. And they've since shut them down and just shifted to that remote workforce model. So you may not want to compete with the big leagues, if you will, but you in a way have to because they're competing with you. So, you do need to make sure that you are being competitive locally, being competitive from a wage standpoint, from a workforce flexibility perspective, with some of those creative benefits with career movement.

If you're a smaller organization or midsize organization, and you don't have 10% of your people at least moving on an annual basis within, look within to hire or to promote before you go outside — to begin with, it helps to eliminate that conundrum of paying the new, higher rates, but promote them fairly and give them the opportunity to advance within your business, give them more ownership, give them more responsibilities, you know, give them more autonomy within your business. And if you're not doing that with enough of your people, then that's part of what they consider to be total compensation now, especially for the younger workforce who feels like, "I've been out of school for a couple of years now, and why aren't I a manager?" You know, there's a legitimate expectation of "I've proved myself for a couple of years, what's the next challenge for me?"

Sometimes it's not even a straight career path, like we might have historically thought about it. It's not "I've come in on customer service. And so I'll be a customer service supervisor, and then maybe I'll move into inside sales." And there were very clear trajectories in the past. Now, someone who's into customer service can say, "Well, I really, really liked what you guys are doing over there in product development, you know, I'd like to shift my focus."

# Should employers focus on training employees to certain skills?

**Raleen Gagnon:** Everyone says, “We need to mitigate costs so we’ll bring in entry-level people or lower-skilled resources, we’ll train them to do the job, that’s how we’re going to fill the skills gap.” But we don’t often back that up with action. I’ve seen some really incredible things done at major enterprise levels. Cisco has Net Academy, and Microsoft has an open academy, IBM, lots of those major organizations have those structures in place. But for the rest of us, you don’t just need some online courses. If those online courses are not going to give them the practical experience that’s going to make a hiring manager comfortable to hire.

HR says, “We’re going to create these learning courses,” and no one ever aligns to what hiring managers need people to be able to do before having that barrier crossed. And the other comment made is, “We’ll pay for the training.” It’s been, I feel like, forever since organizations started offering tuition reimbursement. It’s the wrong approach. You can’t ask someone to come in, pay for their own education, jump through hoops, meet certain criteria and grades while working full time, and then hope that they will be reimbursed. If it’s critical for us, as an employer, that these people take certain business analytics classes or certain programming classes, then we should proactively pay for that. It doesn’t need to be a bachelor’s degree or, you know, a master’s degree in these cases. And oftentimes, today, it’s a specific course, or a specific technology platform and series of certifications that you need to do your job. I mean, even when you look at, you know, the project management principles, so you can go for your PMP (Project Management Professional certification). And you make the courses available, and then they have to pay to take the test, but it’s a lot to do that self-taught, so let them go to a class proactively. If you need certified project managers, if you want certified agile coaches, you know, put the time and the money into having them run through that class because they’re gonna ramp up that much faster. It’s a worthwhile investment.

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We’ve done a lot of work from an analytic standpoint, to look at, you know, migratory patterns, and then aging in and aging out of the workforce and trends and career movements. So you can see, going out just a few years, what’s likely to have the greatest increase in skills gap versus where are we going to start to see the supply-and-demand things converge? I mean, we just watched this happen with warehouse workers over the current course of COVID. To be fair, they did address it with a compensation solution, you know, so if you look today, those warehouse workers are absorbing the workforce from retail, from fast food, from food services, I mean, they are pulling anyone over the age of 18 into that model, because it’s an immediate increase in take-home pay, and the shift flexibility is much higher than you would see in manufacturing or even in retail. I mean, they are willing to do the two-hour, the four-hour shifts, that changes shifts, same day. And we’re seeing warehouses have to be that nimble, because of the sheer volume that’s going through their businesses. So they didn’t go out and create new workers, they hijacked

workers from other functions and sectors with money. And they didn't do it as one organization, although there's obviously one elephant in the room that gets a lot of credit for that. It wasn't just one organization, all of those warehouses, a distribution center followed suit and kept up and didn't question their need to do so. There's a lot to be said for that.

## Also see:

- 5 questions with Raleen Gagnon: Why workforce data analysis is vital to business success (<https://fastfuture.org/tech-trends/5-questions-with-raleen-gagnon-why-workforce-data-analysis-is-vital-to-business-success/>)
- The uphill battle of hiring tech talent: What's your edge? (<https://fastfuture.org/itsr-featured-interview/hiring-tech-talent/>)
- Study: Tech talent in Fast Future country is an opportunity market ([https://fastfuture.org/tech-trends/study-tech-talent-in-Fast Future-country-is-an-opportunity-market/](https://fastfuture.org/tech-trends/study-tech-talent-in-Fast-Future-country-is-an-opportunity-market/))
- Tech Trend: Growing tech talent in Fast Future Country ([https://fastfuture.org/tech-trends/tech-trend-growing-tech-talent-in-Fast Future-country/](https://fastfuture.org/tech-trends/tech-trend-growing-tech-talent-in-Fast-Future-country/))
- Finding underrepresented tech talent (<https://fastfuture.org/itsr-featured-interview/finding-underrepresented-tech-talent/>)
- Tech talent excelling in Fast Future Country ([https://fastfuture.org/newsletters/tech-talent-excelling-in-Fast Future-country/](https://fastfuture.org/newsletters/tech-talent-excelling-in-Fast-Future-country/))

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