



PRIDESTAFF

2018
THE HIGH COST OF LOW PAY RATES
Survey Findings and Recommendations

ABOUT PRIDESTAFF

PrideStaff gets tens of thousands of people working every year. For over four decades, we have grown with the times and taken an enlightened approach to staffing. We merge large company and entrepreneurial expertise. We earn trust through integrity, reliability and respect. We understand the intricacies of both job seeking and recruiting. And, we take great pride in the success of every candidate, placement and business we touch. Headquartered in Fresno, CA, PrideStaff has over 80 offices throughout the United States and serves more than 5,000 clients. We have been named among Forbes' Top-20 professional staffing firms, and are North America's only \$100M+ commercial staffing firm to earn Inavero's prestigious Best of Staffing Diamond Award five years in a row, representative of exceptional client and talent service.

For more information on our services or for staffing franchise information, visit www.pridestaff.com

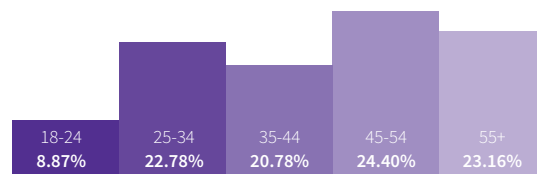
ABOUT THIS STUDY

In March 2018, PrideStaff conducted an online survey on how pay and other factors impact the job search, job satisfaction, work performance and retention. The survey was completed by over 2,100 individuals (both employed and unemployed) located throughout the U.S., representing a wide range of industries and company sizes.

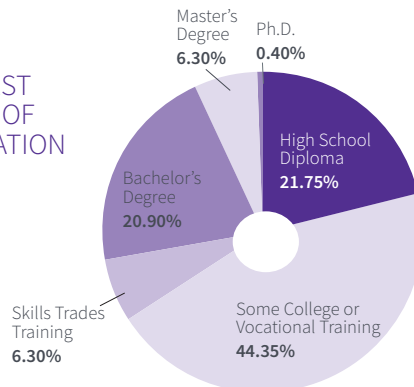
GENDER



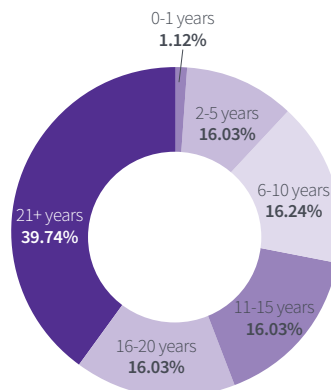
AGE



HIGHEST LEVEL OF EDUCATION



YEARS OF WORK EXPERIENCE



INDUSTRY

Manufacturing	20.13%	Government	4.75%
Transportation/Warehousing	13.99%	Construction	4.24%
Health Care	12.97%	Retail	3.48%
Professional Services	12.22%	Nonprofit	3.42%
Finance/Insurance/Real Estate	11.65%	Hospitality	3.23%
Internet/Technology	6.08%	Communications/Utilities	3.16%
		Agriculture/Mining	0.70%

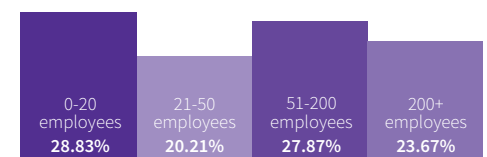
EMPLOYMENT CATEGORY

Office/Clerical	18.04%	Medical Administrative	3.73%
Labor	14.72%	Quality Control	3.43%
Administrative	11.19%	HR	3.38%
Light Industrial	10.74%	Finance	2.72%
Accounting	8.37%	Engineering	2.27%
Professional/Managerial	5.75%	IT	1.86%
Sales	4.69%	Marketing	1.41%
Operations Management	4.23%	Consulting	0.96%

EMPLOYMENT STATUS

7.51%	Currently employed and not open to new opportunities.
47.29%	Currently employed and open to listening to new opportunities if presented to me.
21.02%	Currently employed but actively looking for another job.
24.08%	Currently unemployed and looking for work.

EMPLOYER SIZE



KEY FINDINGS

A number of demographic, economic and competitive forces are creating a “perfect storm” of sorts in the U.S. workforce:

JOB OPENINGS ARE UP.

For the first time recorded, the U.S. had more job openings (6.7 million) than unemployed Americans (6.3 million) at the end of April 2018. ¹

MINIMUM WAGES ARE INCREASING.

While the federal minimum wage remains at \$7.25 per hour, 18 states and 20 cities enacted laws in 2018 which significantly increased their minimum wage. ²

TIME TO HIRE IS ON THE RISE.

The average time to fill U.S. jobs rose to a record-high 31.1 working days in April 2018. ³

BABY BOOMERS ARE LEAVING THE WORKFORCE.

By 2030, all baby boomers will be 65 or older. ⁴

As job opportunities become more plentiful, recruiting and retention challenges will become even greater. Employers who ignore the need to increase pay rates can expect to pay a high price in terms of increased voluntary turnover, lengthy position vacancies and diminished work performance.

¹ <https://www.wsj.com/articles/american-jobs-outnumber-the-jobless-1528212776>

² <http://fortune.com/2017/12/20/minimum-wage-increases-jan-2018/>

³ <http://dhihiringindicators.com/>

⁴ <http://www.pewresearch.org/fact-tank/2010/12/29/baby-boomers-retire/>

IN TODAY'S ECONOMY AND EMPLOYMENT MARKET:

- What should you do to ensure you're compensating your staff in ways that maximize both performance and retention?
- Are you paying enough to recruit effectively in a tight employment market?
- Are your employees satisfied with their current pay, or could a competitor easily lure them away?

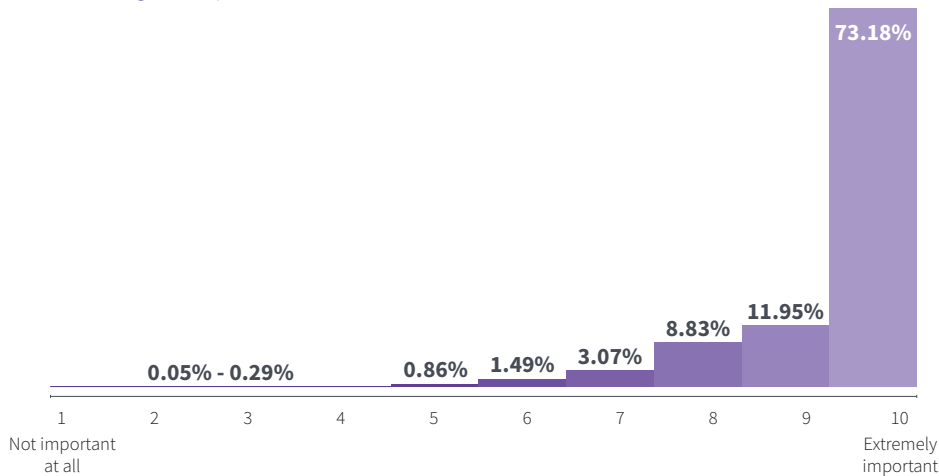
We examine these questions and more in this whitepaper. To start, let's take a look at the survey findings:

PAY/COMPENSATION MOST IMPORTANT FACTOR TO JOB SEEKERS

While roughly 2 in 3 respondents rated “healthcare benefits,” “advancement opportunities” and “vacation/holiday pay” as “extremely important” (i.e., a 9 or a 10), more than 8 in 10 respondents (85%) ranked **pay/compensation as extremely important**.

IMPORTANCE OF PAY/COMPENSATION

Percentage of respondents



IT'S TIME TO **PAY UP**

In a market where there are more jobs available and fewer qualified workers on the job hunt, companies that are serious about attracting – and keeping – great people must ensure they’re paying competitive wages.

Savvy employers, however, realize they must offer more than money to improve recruiting. Our survey data indicates that perks and potential for advancement are also important to job seekers when evaluating opportunities.

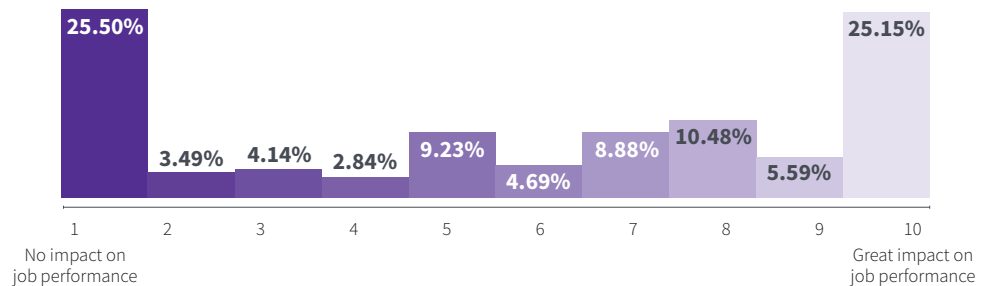
PAY IMPACTS JOB SATISFACTION, BUT NOT NECESSARILY PERFORMANCE

While over 3/4 of respondents rated pay rate as “extremely important” (i.e., a 9 or a 10) to their job satisfaction, respondents were split on the impact pay rate has on their job performance:

- Roughly 30% responded that **pay does not impact their performance at all** (i.e., a 1 or 2).
- Roughly 30% responded that **pay has a great impact on their performance** (i.e., a 9 or 10).

HOW MUCH DOES PAY RATE AFFECT JOB PERFORMANCE

Percentage of respondents

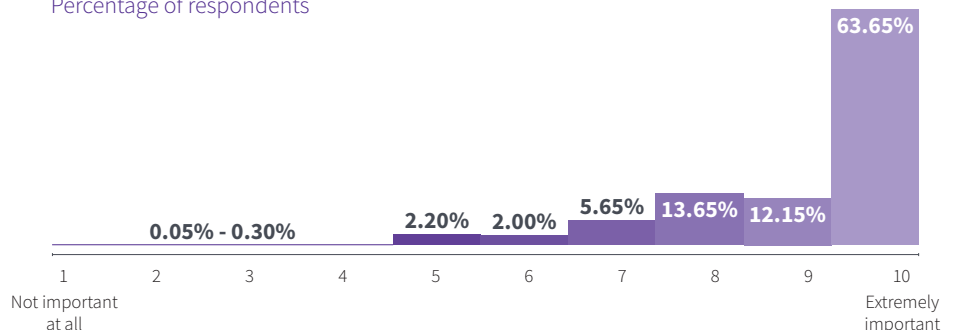


HOW SATISFIED ARE YOUR EMPLOYEES?

An anonymous employee survey can help you obtain candid feedback from your employees to gauge their satisfaction with pay rates. As an added benefit, soliciting employees’ input shows that you care about them, which can lead to increased engagement.

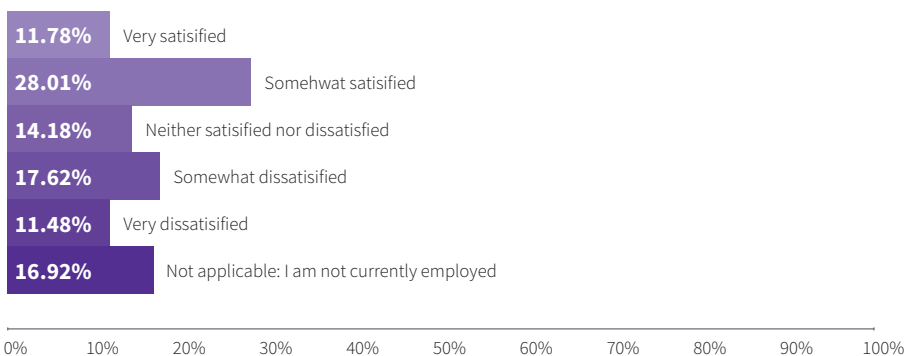
IMPORTANCE OF PAY RATE TO JOB SATISFACTION

Percentage of respondents



PAY RATE SATISFACTION LEVELS VARY GREATLY

HOW SATISFIED ARE YOU WITH YOUR CURRENT PAY RATE?

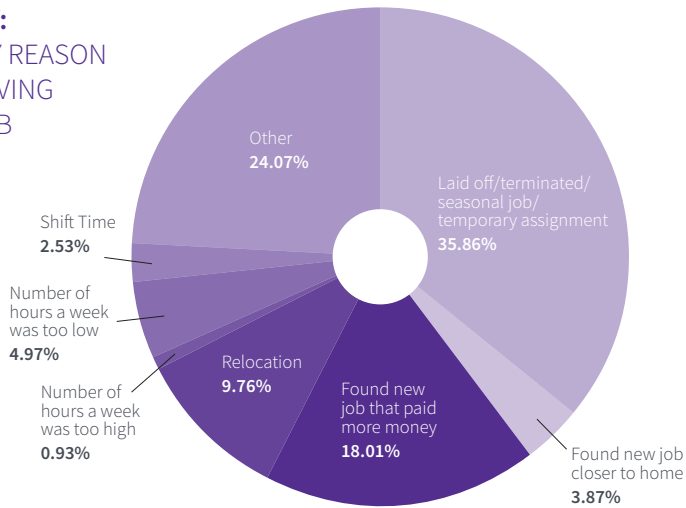


HIGHER PAY IS THE MOST SIGNIFICANT DRIVER OF VOLUNTARY TURNOVER

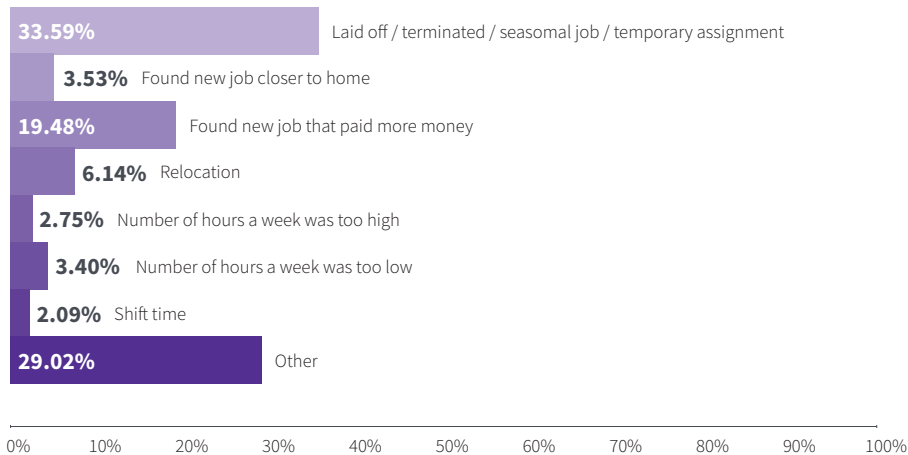
Among individuals who voluntarily quit their last job, higher pay was the most frequently cited reason:

- Nearly 1 in 5 respondents (17.9% of hourly wage earners and 19.4% of salaried professionals) left their last job for a **new one that offered more money**.
- **Relocation** was the second-most frequently cited reason (9.7% of hourly wage earners and 6.2% of salaried professionals).

HOURLY: PRIMARY REASON FOR LEAVING LAST JOB



SALARY: PRIMARY REASON FOR LEAVING LAST JOB



PAY INCREASES MUST BE SUBSTANTIAL TO SPUR JOB CHANGE...

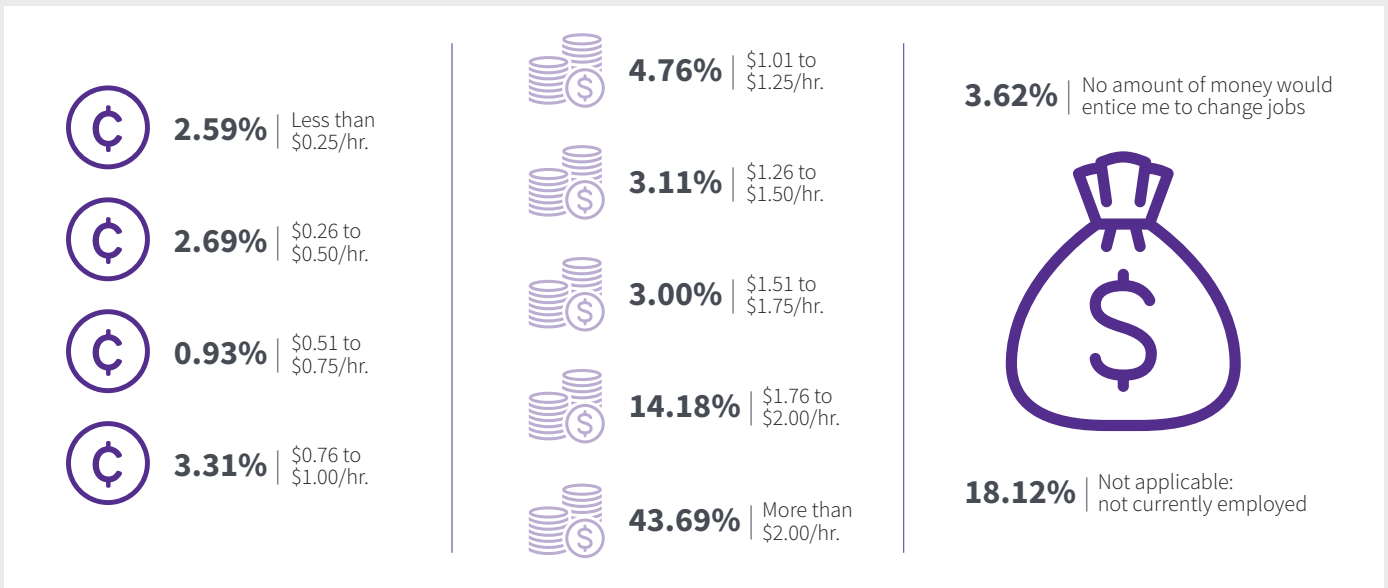
Among **HOURLY** wage earners:

- Fewer than 1 in 10 (9.5%) would switch jobs for a raise of \$1.00/hr. or less.
- More than 4 in 10 said it would take a pay increase of more than \$2.00/hr. to spur them to take a new job.

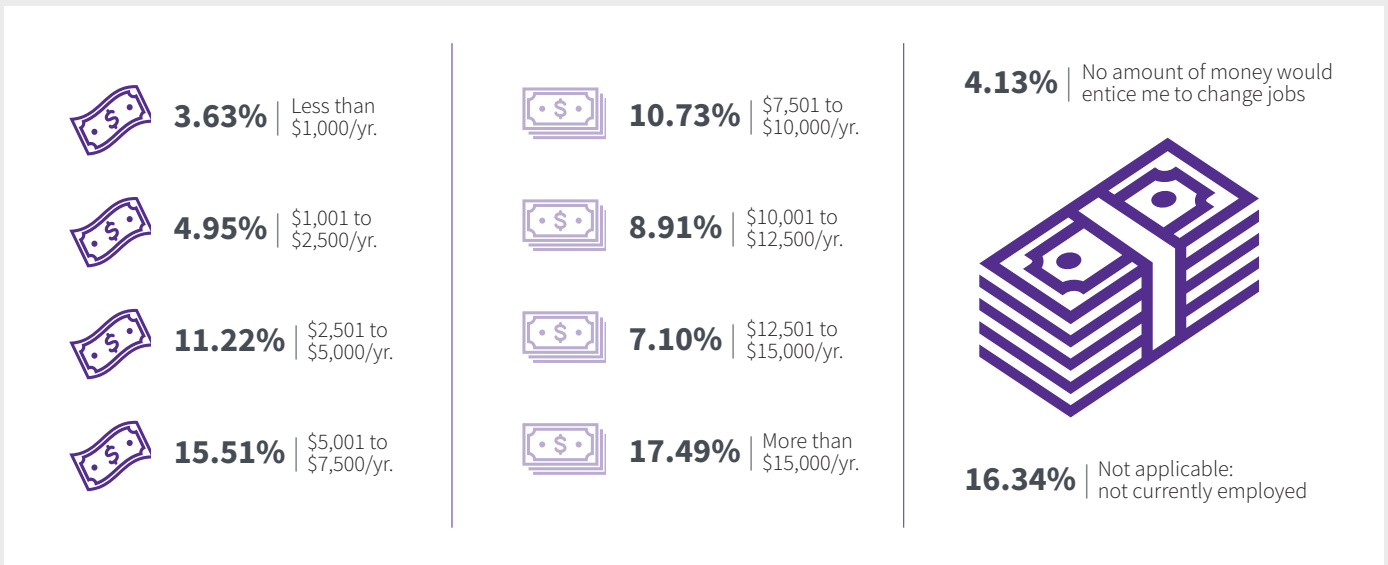
Among **SALARIED** wage earners:

- Just 1 in 10 (8.5%) said they'd switch jobs for a \$2,500 raise.
- More than 1 in 10 said they'd leave for a \$2,500 to \$5,000 annual increase.
- More than 1 in 10 (17%) said it would take more than a \$15,000 annual increase to entice them to change jobs.

HOURLY: OTHER FACTORS BEING EQUAL, HOW MUCH HIGHER OF A PAY RATE WOULD IT TAKE TO ENTICE YOU TO CHANGE JOBS?



SALARY: OTHER FACTORS BEING EQUAL, HOW MUCH HIGHER OF AN ANNUAL SALARY WOULD IT TAKE TO ENTICE YOU TO CHANGE JOBS?

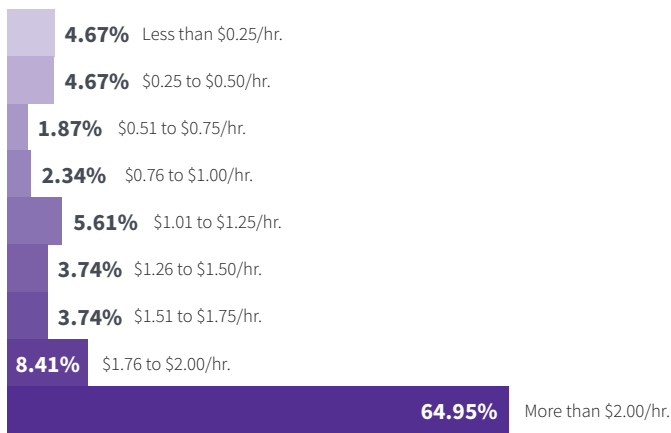
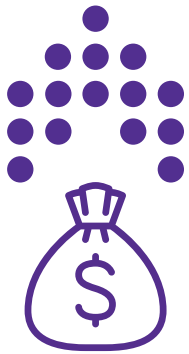


...AND COMPETITORS ARE PAYING UP TO LAND CANDIDATES

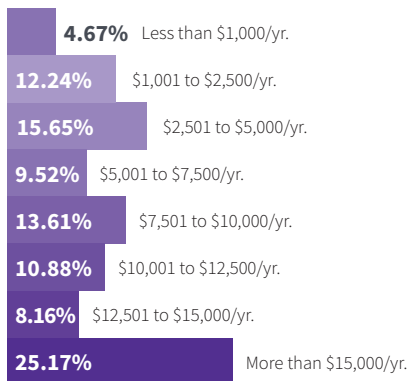
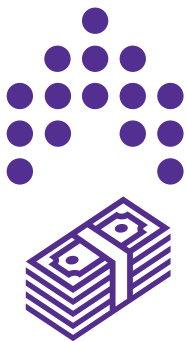
Among **HOURLY WAGE EARNERS** who took a new job for more money, 65% reported earning over \$2.00/hr. more in their new job.

More than 25% of **SALARIED PROFESSIONALS** who changed jobs for a pay increase reported earning over \$15,000/yr. more in their new position.

HOURLY: HOW MUCH HIGHER WAS YOUR NEW PAY RATE?



SALARY: HOW MUCH HIGHER WAS YOUR NEW SALARY?





THE PRESSURE IS ON

Jobs are expanding. Cost of living is increasing. Competition for talent is spurring cities and states to increase minimum wage. The convergence of these factors is magnifying upward pressure on wages and salaries. As a result, you may need to pay significantly more to hire and retain great people at all levels within your organization:

- With unemployment below 2% in some cities and industries, you may need to attract new workers who have jobs elsewhere. Higher, market-based pay rates are necessary to convince them to make a change.
- Our data shows that most hourly wage earners wouldn't change jobs for \$0.25 or \$0.50 per hour, and most professionals couldn't be lured away for just a few thousand dollars more per year. In today's job market, people expect (and are getting) substantially more money to change jobs.

TAKEAWAYS AND RECOMMENDATIONS

COMPETITIVE PAY IS AN ESSENTIAL RECRUITING AND RETENTION TOOL

The data from this survey shows that:

- Pay is the most important factor to job seekers.
- Pay has a tremendous impact on employees' job satisfaction.
- Among individuals who voluntarily quit their last job, higher pay was the most frequently cited reason they left.
- It takes a substantial pay increase for employees to leave their current job – and competitors are willing to pay that price.

While other job factors – perks/benefits, opportunities for advancement, work schedule – are important, competitive pay is clearly critical to attracting, motivating and retaining great people.

INVESTING IN YOUR EMPLOYEES PAYS BIG DIVIDENDS

Obviously, increasing salaries and wages drives up fixed expenses. However, competitive pay provides several significant advantages which offset the increased overhead:

- **Access to a stronger candidate pool.** Higher wages attract higher-quality active and passive candidates, allowing you to choose from among the best talent in your market. With increased access to better talent, you can fill positions more quickly, reducing both vacancy costs and the stress open positions place on your existing team.
- **Improved organizational culture.** Paying competitive wages shows that your organization truly values its employees, increasing their job satisfaction and engagement. As an added benefit, people who feel valued in their organization tend to exert higher discretionary effort, which can further boost performance throughout your organization.
- **Lower voluntary turnover.** In this survey, pay was the biggest driver of voluntary turnover. Paying competitively can significantly reduce turnover, which in turn lowers expenses associated with recruiting and training new employees, as well as position vacancy costs.

When you pay fairly, everyone wins: Competitive pay attracts and retains happy, productive, high-performing people. A great team of engaged employees leads to greater operational efficiency and better results for your business.

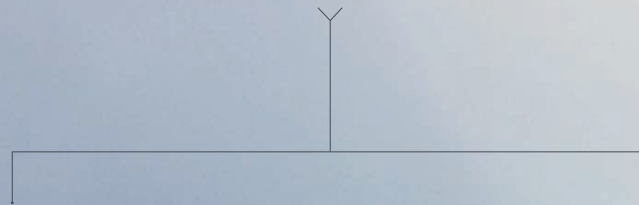
PRIDESTAFF IS HERE TO HELP

Under the best of circumstances, it's challenging to consistently recruit great people. In our current environment, it's downright brutal. Trust PrideStaff to fuel recruiting success by:

- Providing salary, wage and compensation advice to ensure your offerings are competitive.
- Proactively sourcing candidates to deliver great people, right when you need them – even in a tight market.
- Actively marketing your job opportunities.
- Recruiting passive candidates who are open to a job change under the right circumstances.



RECRUIT AND RETAIN THE BEST WITH PRIDESTAFF



WORKFORCE GROWTH SOLUTIONS

Use our Workforce Growth Solutions to manage workload fluctuations strategically. When things get busy, we provide qualified temporary employees to support your core team, greatly reducing employee burnout and resultant turnover.

FOR MORE INFORMATION, VISIT
www.pridestaff.com/workforce-growth-solutions

ON TARGET

PrideStaff takes the guesswork and risk out of hiring, identifying candidates with the personality traits, validated performance and soft skills needed to thrive in your culture, long-term. Our On Target fulfillment process eliminates chance and inconsistency, helping you to create a lasting match between employer and employee.

FOR MORE INFORMATION, VISIT
www.pridestaff.com/target

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