



# Best Practices in Attracting and Retaining Employees

Central Virginia Employee Benefits Council  
Presentation

*March 2, 2016*



**48%**

of employers indicate that hiring activity has increased compared to last year.



Talent mobility has **increased**.

**35%**

of employers report that turnover is rising.



**46%** of employees think their organization does a **good job of hiring**.

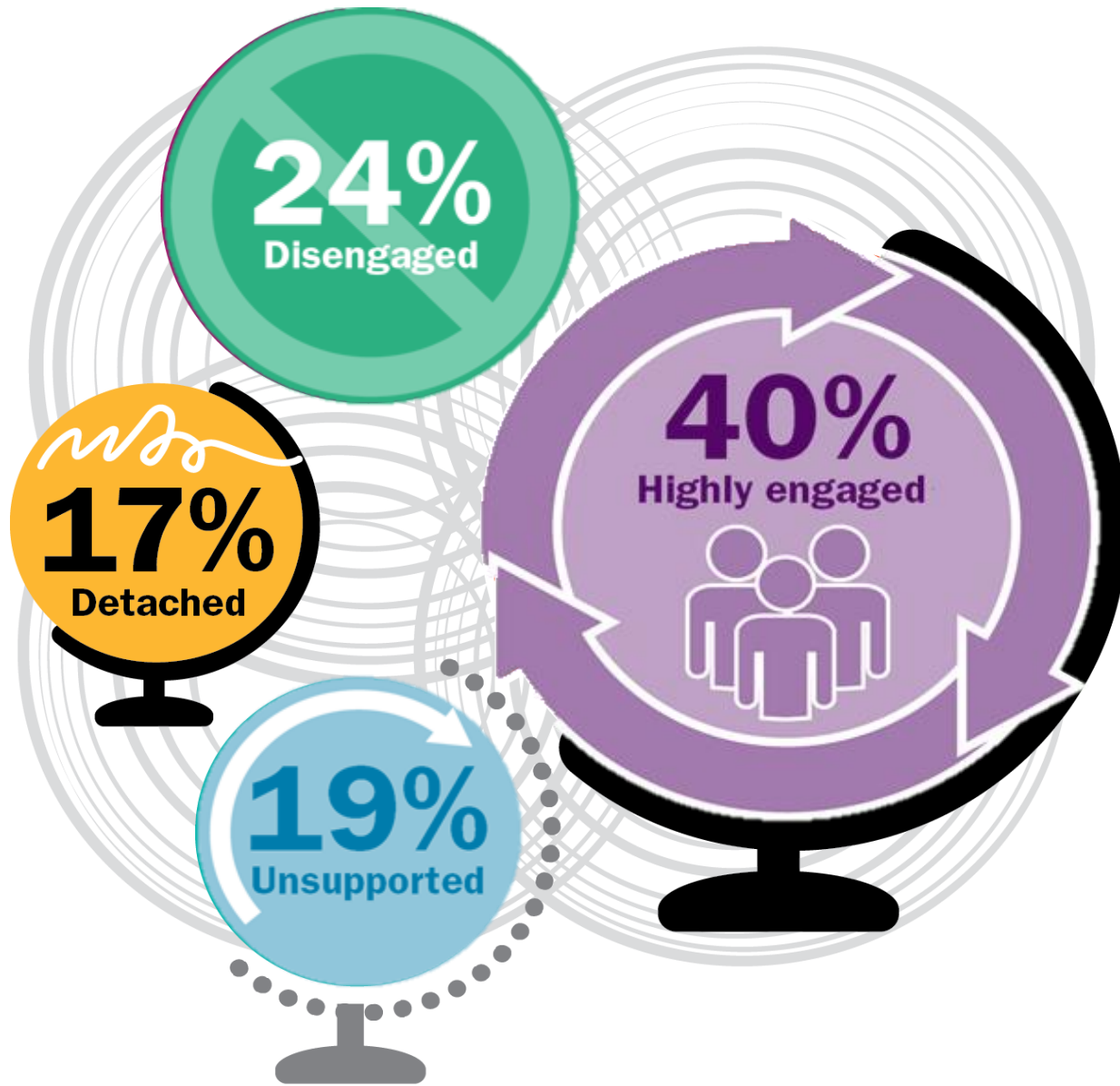


Retention risk is **high**.



**42%** of employees think their organization does a **good job of retaining highly qualified people**.





Source: 2014 Towers Watson Global Workforce Study

## Companies with a **highly evolved employment deal** are:

**3x** as likely to report their employees are **highly engaged**.



**1.5x** as likely to report **achieving financial performance** significantly above their peers.



# Talent aspirations have changed

**Then**

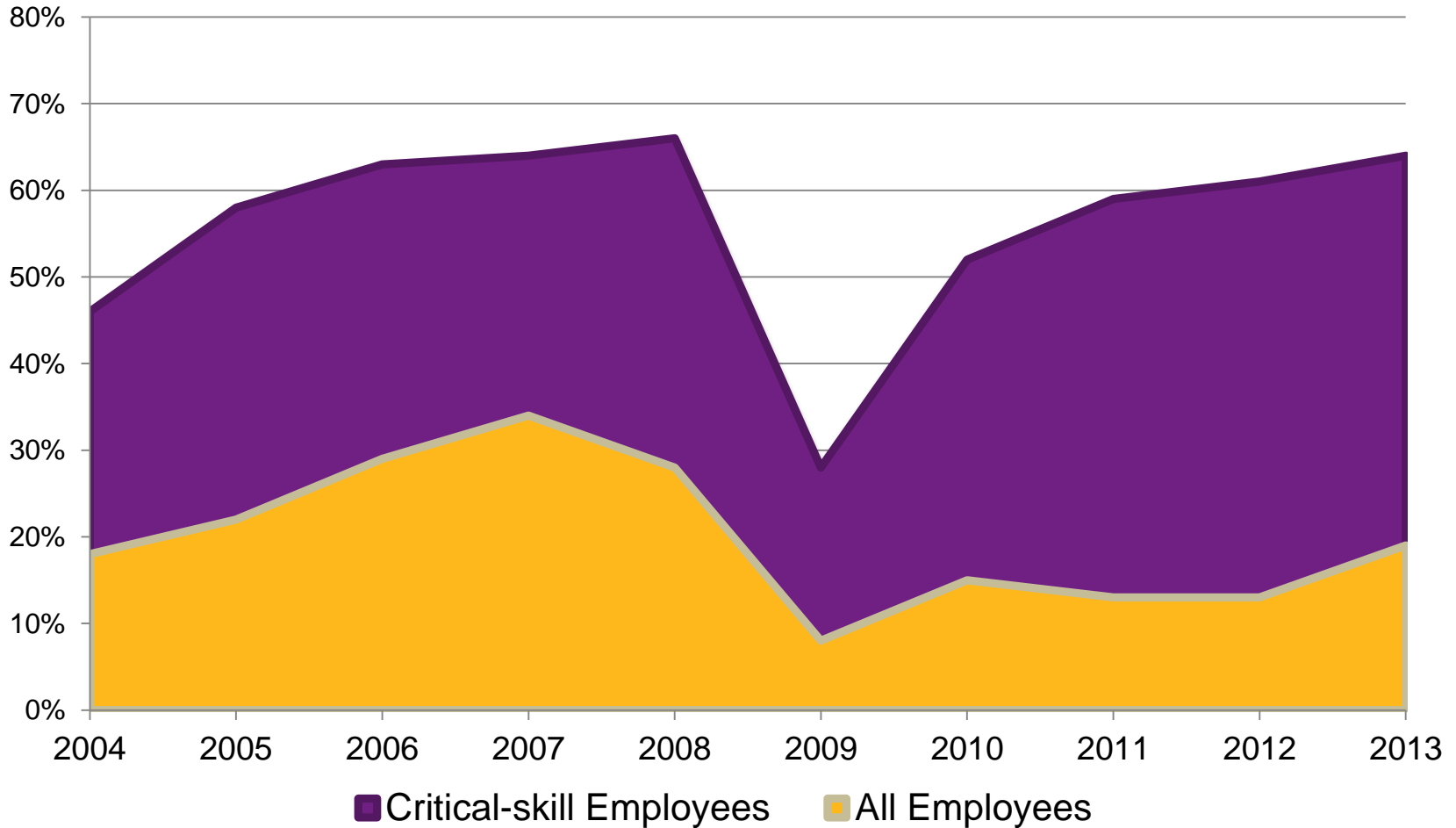


**Now**



# Critical-skill employees are once again as tough to attract as during the run-up of the previous economic boom

Percentage of companies that are having difficulty attracting talent



Source: Towers Watson Talent Management and Rewards Study, 2005 - 2014

## The new normal: Treating employees like consumers

**70%**

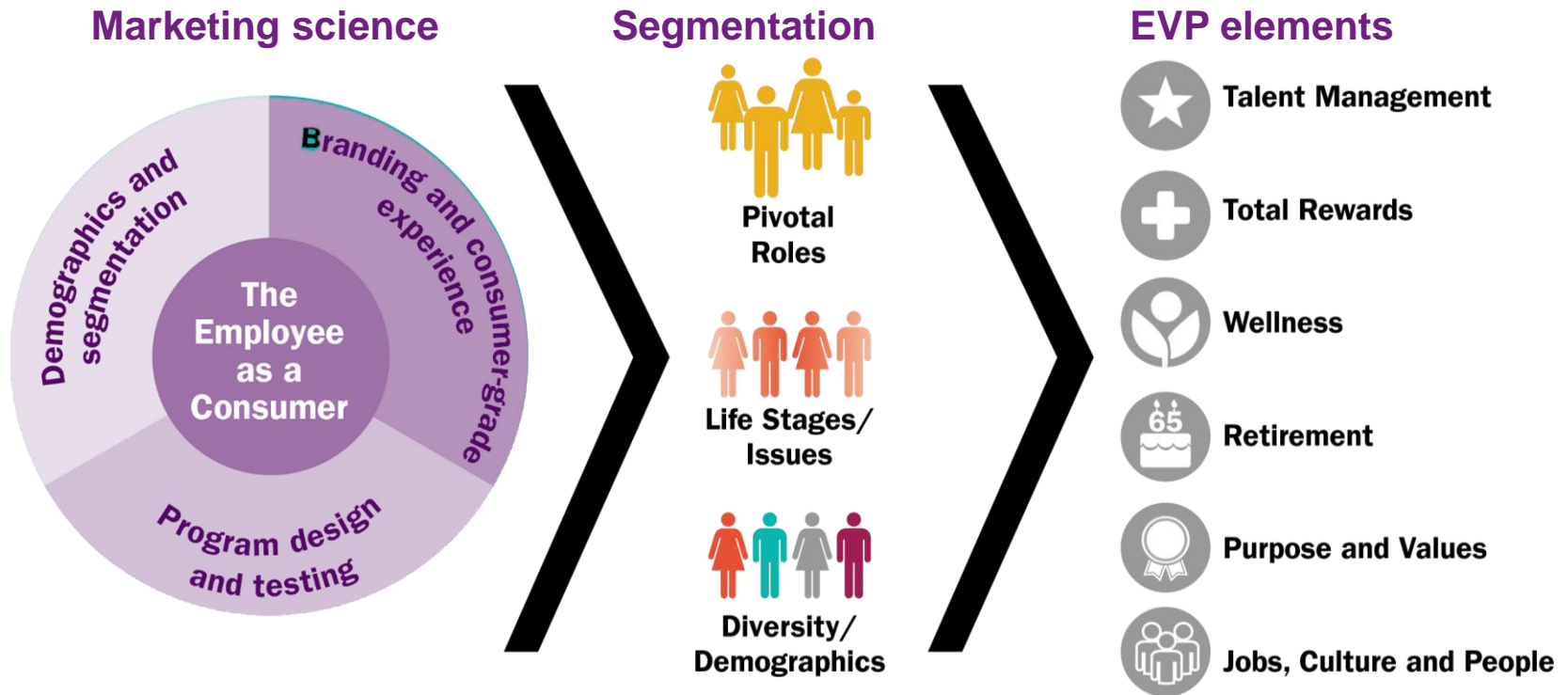
Percent of employees believing that their organization should understand them to the same degree that employees are expected to understand external customers

Percent of employees reporting having an employer that understands them in this way

**43%**

Source: 2014 Global Workforce Study, Towers Watson

# The new normal: Treating employees like consumers





# Segmentation: Helps to Understand the Values, Attitudes and Motivators of Target Segments



## Current Workforce

Understanding who, what and how for current target segments allows you to deliver personalized employee “deals” to engage and retain, and focus resources to drive the greatest value

**Who**  
we’re talking to

**What**  
motivates and  
influences them

**How**  
to drive sustainable  
engagement



## Future Workforce

Understanding who, what and how for future workforce segments facilitates proactive strategy and planning to ensure the right employee brand elements are in place to attract the workforce of the future

**Quiz time!**



Quiz time!



1. How old are the oldest Generation X employees today?

51

## Quiz time!

2. How old are the oldest Generation Y (also called “Millennials”) employees today?



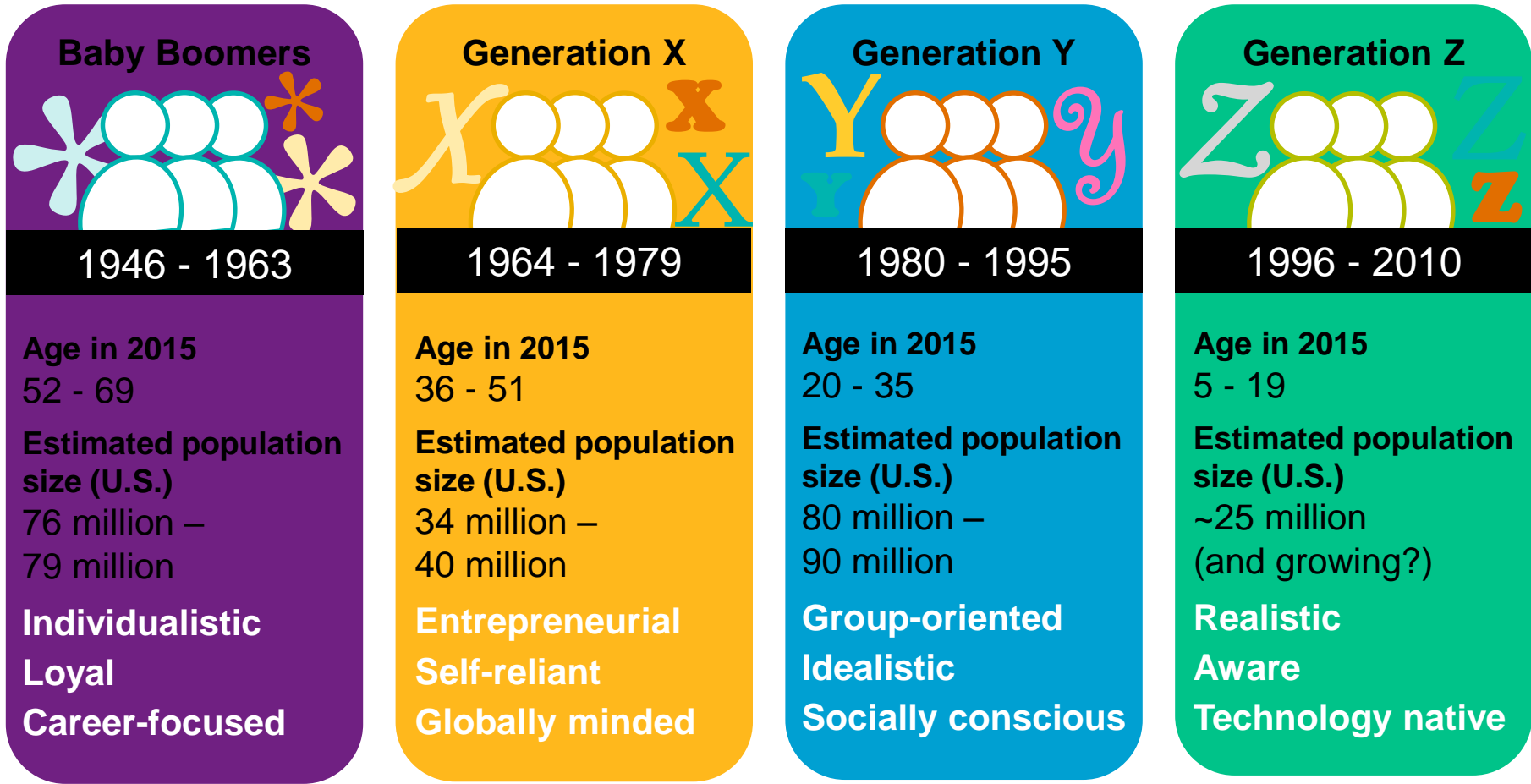
**35**



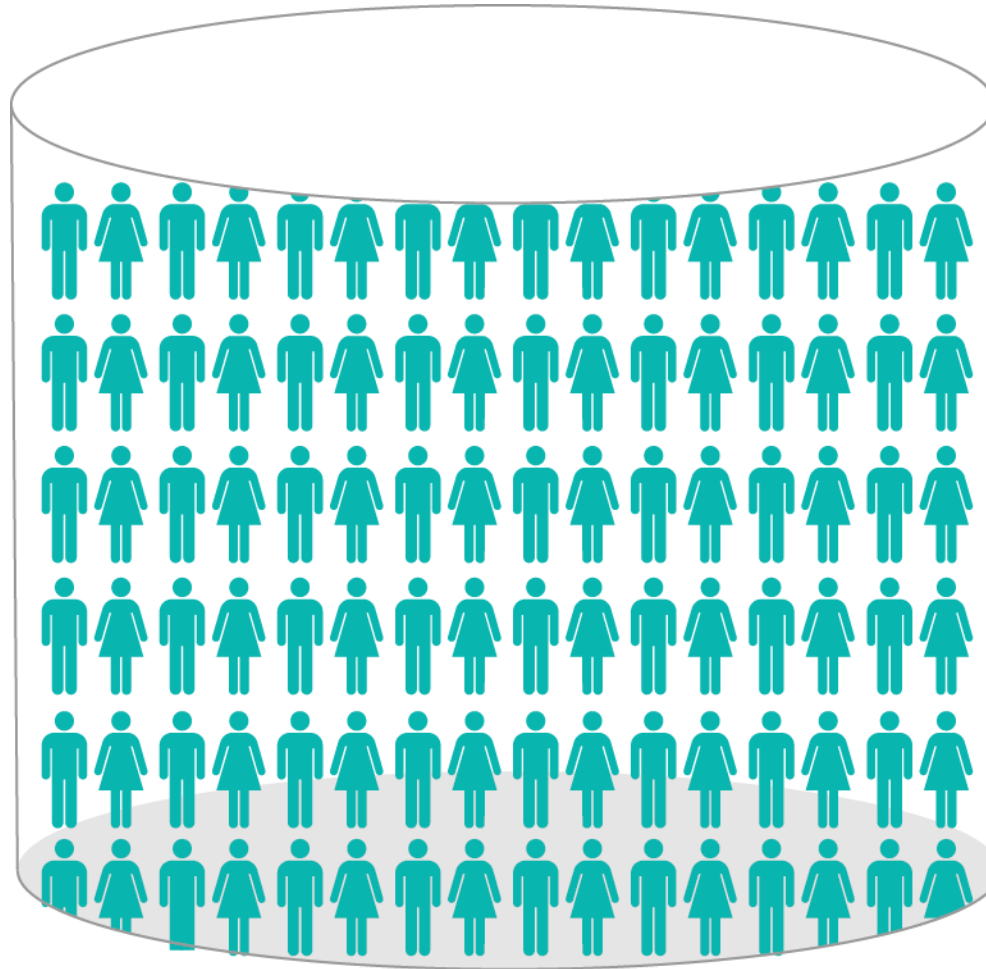
## Clear generational differences exist

### New demographics:

Gen Y has arrived — Gen X are emerging leaders — Gen Z is on the cusp

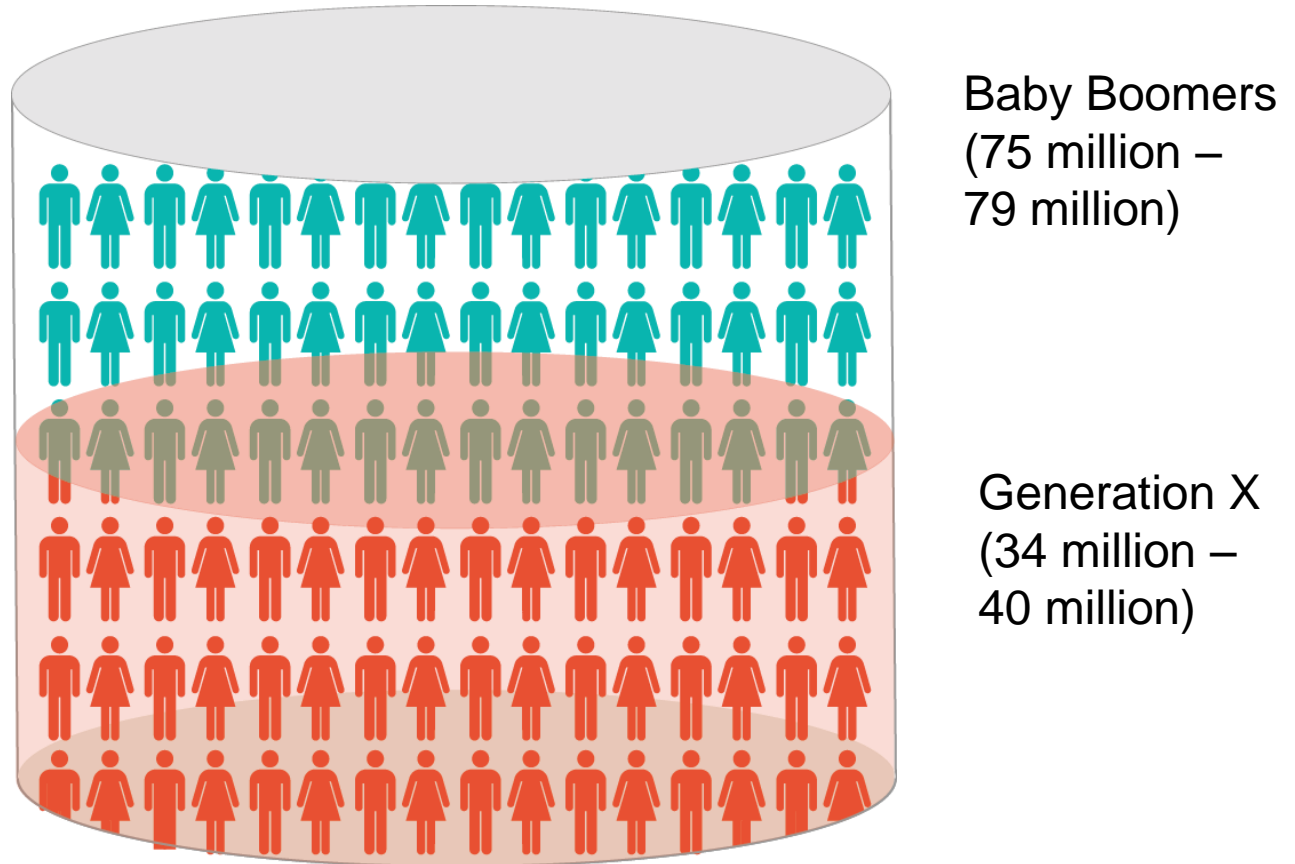


## For decades, the *Fortune* 1000 had little trouble filling jobs with plentiful Baby Boomers



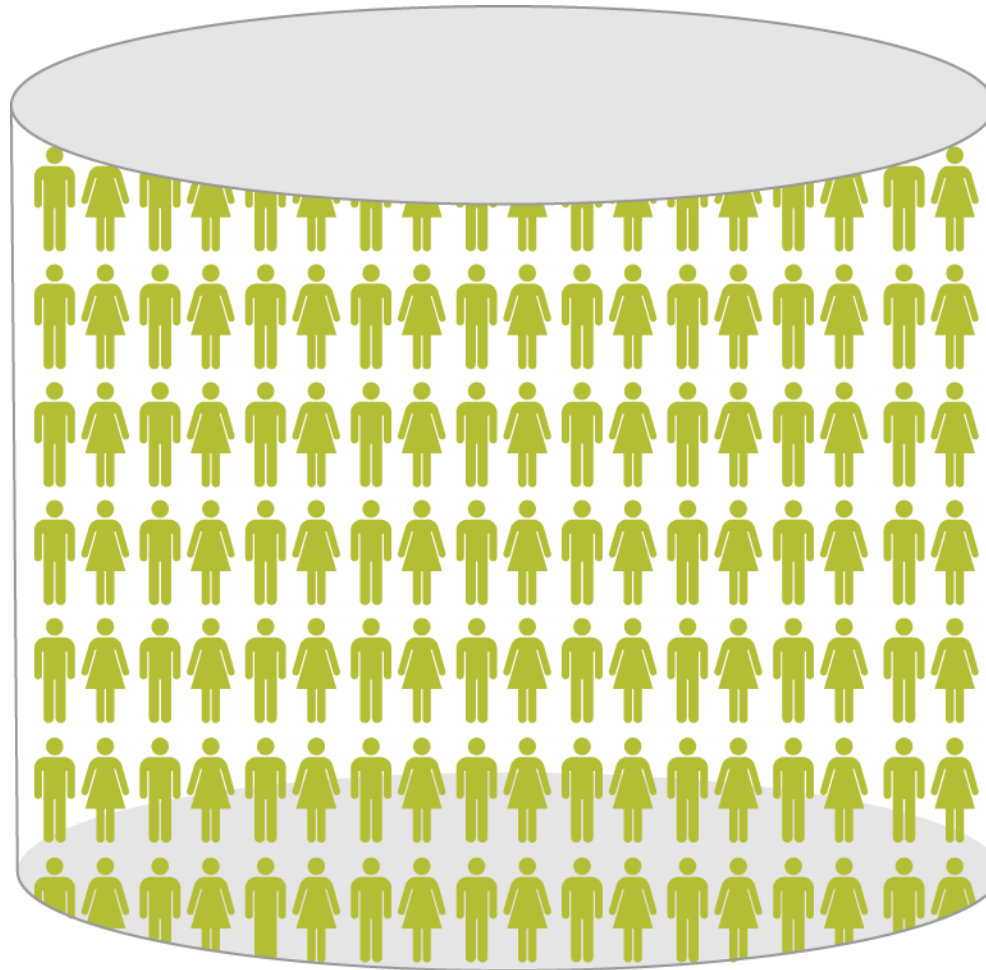
Baby Boomers  
(75 million –  
79 million)

## Key skill groups began to show shortages with Generation X, but longer-career Baby Boomers filled the gap



***Baby boomers are retiring at a rate of one every nine seconds through 2029***  
– USA Today Money 8.27.14

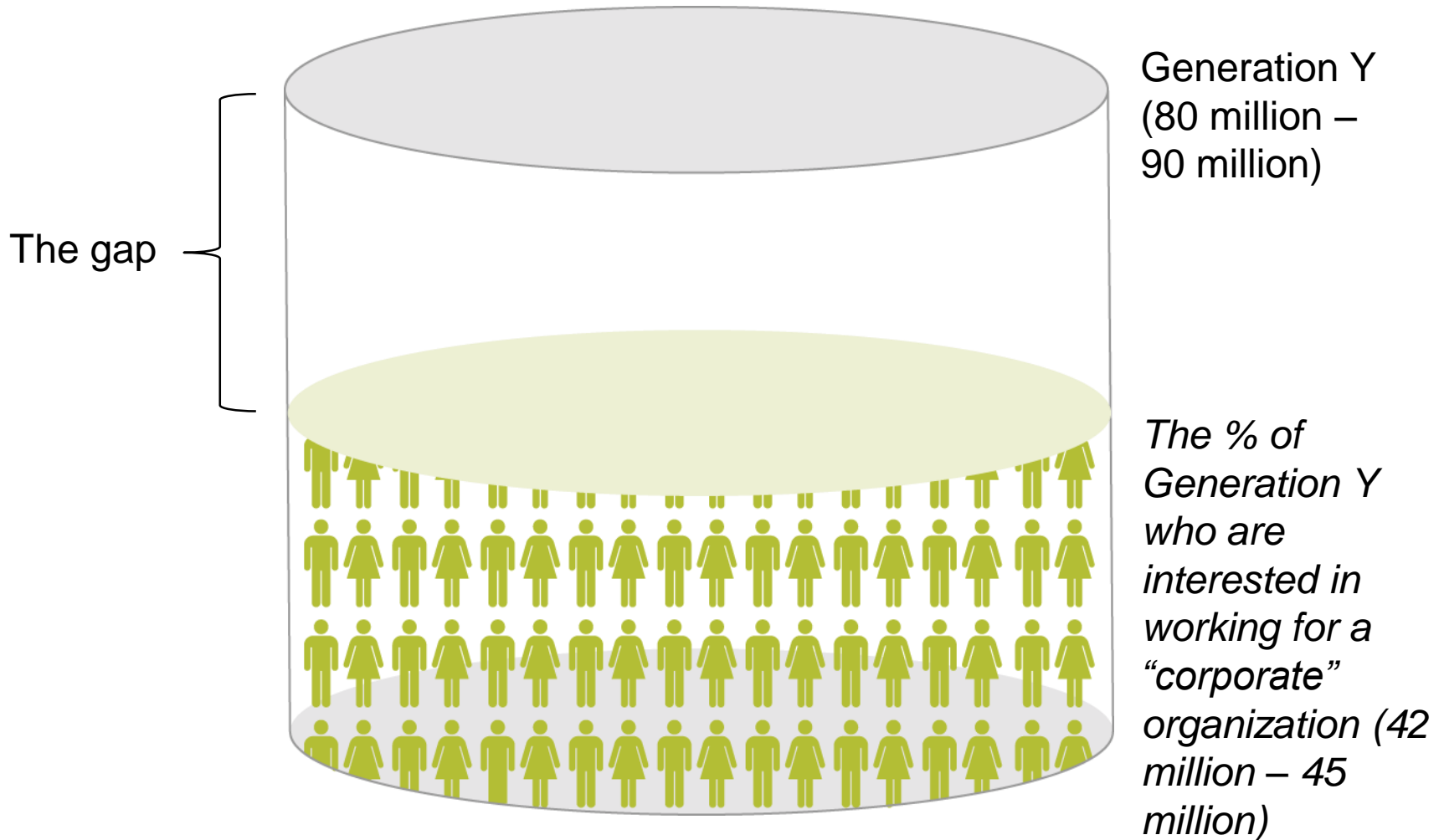
## Generation Y to the rescue



Generation Y  
(80 million –  
90 million)



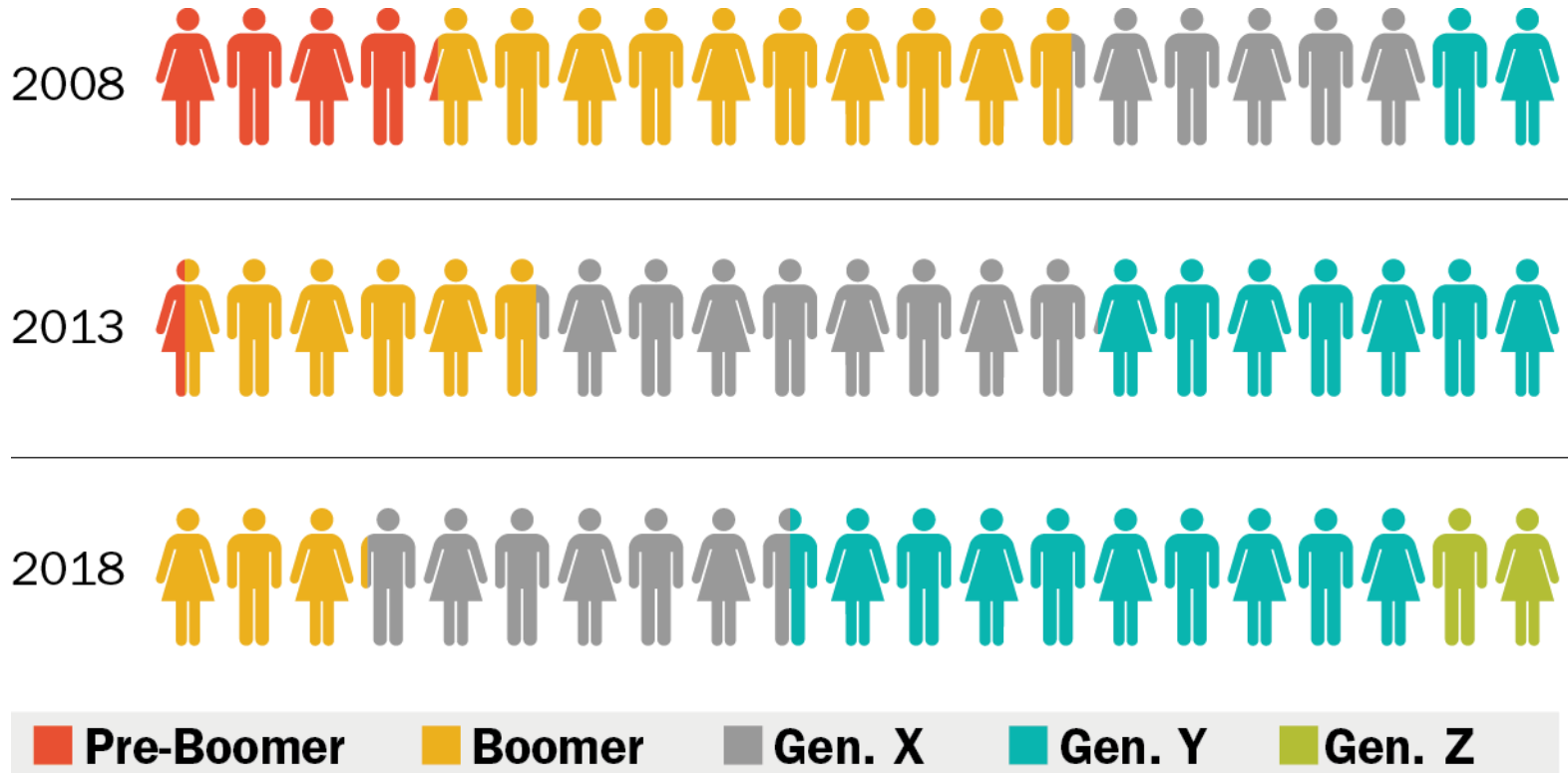
## Generation Y to the rescue, but not really



# What will 2018 look like?

Illustrative company demographic shift

## Global company population — By age





# GEN Y

- 80-90 MILLION STRONG
- AGES 20-35
- \$200 BILLION SPENDING POWER  
→ ***\$400 BILLION BY 2020***

Source: Intelligence Group – Cassandra Report; 2013



# GEN Y

- GROUP ORIENTED
- NEED TO BE HEARD
- IDEALISTIC/SOCIALLY-CONSCIOUS
- FEEL (EXTRA) SPECIAL

Source: Intelligence Group – Cassandra Report; 2013



## The Collaboration Generation



**SUPERVISED**

**DIVERSE**

**EDUCATED**

Source: Intelligence Group – Cassandra Report; 2013

## Idealistic and socially-conscious

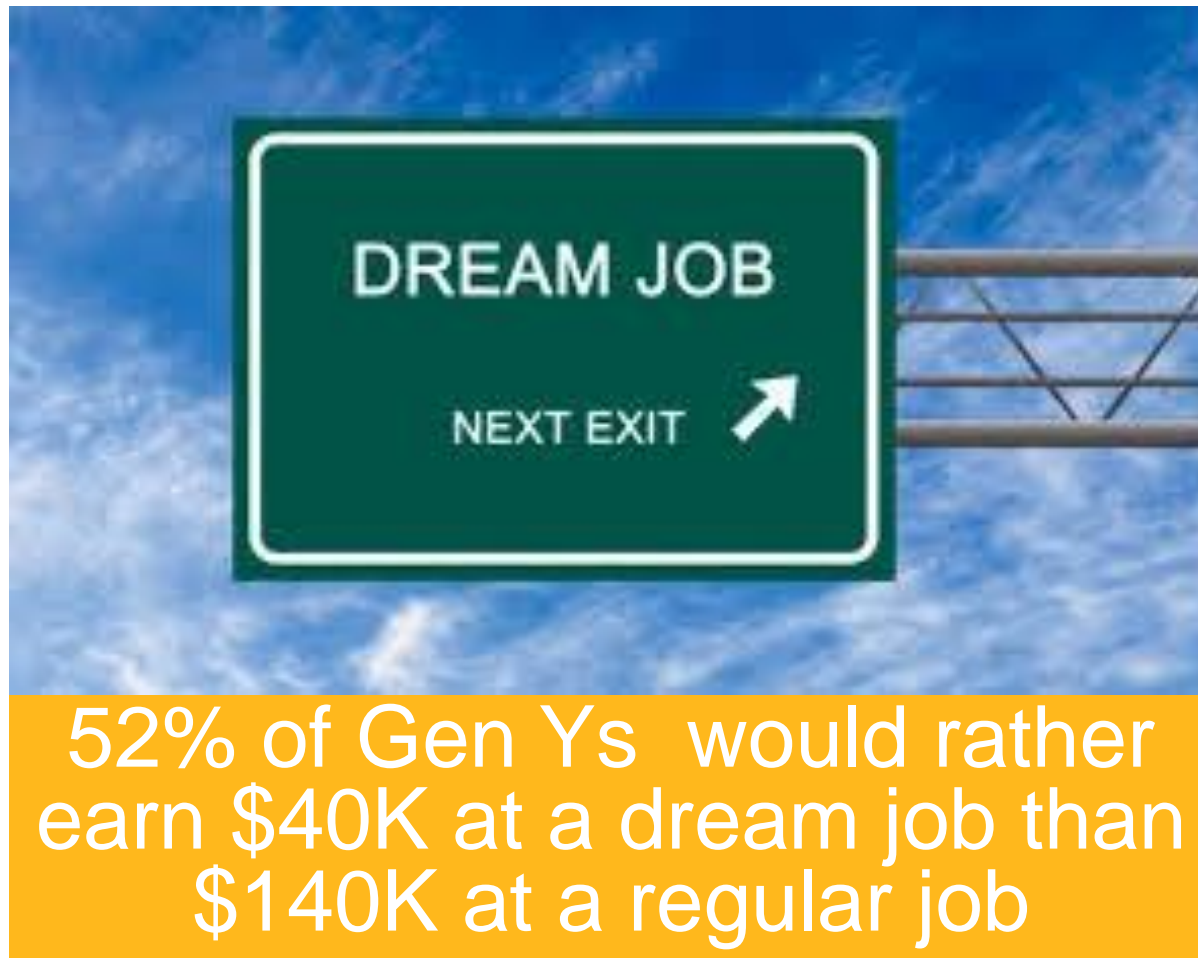
64% of Gen Ys rank making the world a better place as a priority in life



56% would take a pay cut to work somewhere that is positively changing the world

Source: Intelligence Group – Cassandra Report; 2013

## Not solely pay-driven



Source: Intelligence Group – Cassandra Report; 2013

## Not corporate-focused

57% of Gen Y's would rather work *freelance* than a regular 9 to 5 job

55% would rather work for a *start-up* than a corporate environment



57% would rather work for *themselves* than for a company

Source: Intelligence Group – Cassandra Report; 2013



Group oriented...

84% of Gen Ys rely on the opinions of friends and family to make decisions



Source: Intelligence Group – Cassandra Report; 2013

## Balancing act



88% of Gen Ys prefer *work life integration* vs. work life balance

Source: Intelligence Group – Cassandra Report; 2013



...OK with dependence

93%  
of Gen Ys  
receive  
financial  
assistance from  
parents

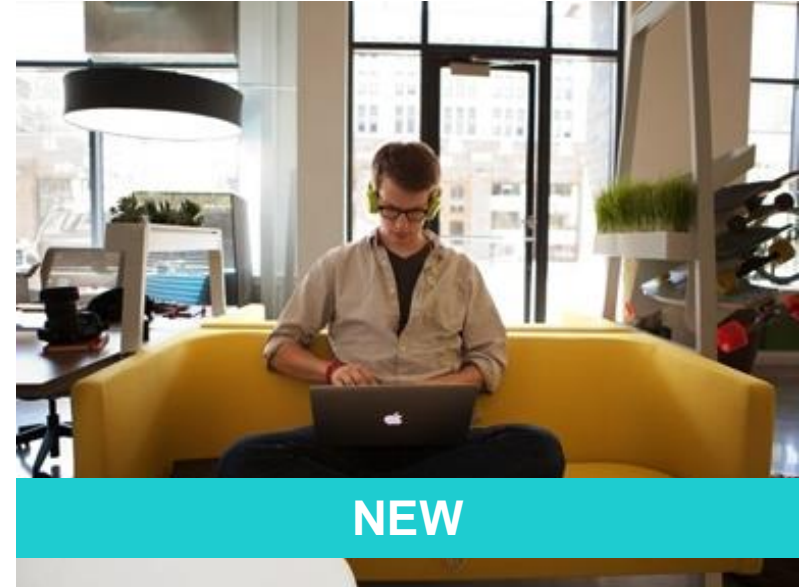


Source: Intelligence Group – Cassandra Report; 2013

## New value system



- **LIVE** to work
- **INDIVIDUAL** achievement
- **CORNER** office
- **PRESTIGE**



- Work to **LIVE**
- **GROUP** oriented
- **FLEXIBLE** schedules/social media
- **GIVING BACK**

Source: Intelligence Group – Cassandra Report; 2013

## ...a word on Generation Z



# GENERATION Z

There's no need to argue  
Kids just don't understand

Source: emgn.com – 16 Pictures that Summarize Generation Z, 2015

## Generation Y (“Millennials”)

**Tech savvy:** 2 screens

Think in **3D**

Radical Transparency: **Share all**

**Slacktivists**

**Multi-cultural**

**Tolerance**

**Immature**

Communicate with **text**

**Share** stuff

Have **low self-confidence**

**Now** focused

**Optimists**

Want to be **discovered**

**Team** orientation



## Generation Z

**Tech innate:** 5 screens

Think in **4D**

Judiciously share (**GeoLoc OFF**)

Active **volunteers**

**Blended** (race & gender)

**Togetherness**

**Mature**

Communicate with **pictures**

**Make** stuff

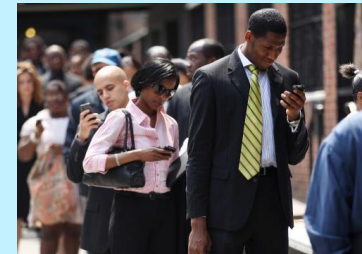
Have **humility**

**Future** focused

**Realists**

Want to **work** for success

**Collective** consciousness



Source: Sparks & Honey, 2015

## Employer view – TM&R Study



- 1 Career Advancement Opportunities
- 2 Base pay/Salary
- 3 Challenging work
- 4 Organization's reputation as a good employer
- 5 Organizations mission/vision/values
- 6 Learning and development opportunities
- 7 Job security

**Attraction**

## Employee view – GWS



- Base pay/Salary
- Job security
- Career advancement opportunities
- Learning and development opportunities
- Challenging work
- Organization's reputation as a good employer
- Vacation/Paid time off

Sources: 2014 Towers Watson Global Workforce Study and 2014 Towers Watson Global Talent Management and Rewards Study

## Employer view – TM&R Study



- 1 Base pay/Salary
- 2 Career advancement opportunities
- 3 Relationship with supervisor/manager
- 4 Manage/Limit work-related stress
- 5 Learning and development opportunities
- 6 Short-term incentives
- 7 Challenging work

**Retention**

## Employee view – GWS



- Base pay/Salary
- Career advancement opportunities
- Trust/Confidence in senior leadership
- Job security
- Length of commute
- Relationship with supervisor/manager
- Manage/limit work-related stress

Sources: 2014 Towers Watson Global Workforce Study and 2014 Towers Watson Global Talent Management and Rewards Study

## How the best succeed

*Build a strong employer brand and EVP that build an emotional connection with employees and....*



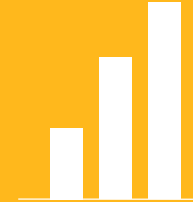
Categorize employees into meaningful groups and deliver segmented rewards and targeted and personalized communications



Use digital media to reach employees “where they’re at,” in ways that are meaningful, engaging and fun



Use social business/ collaboration tools to build a sense of community



Rely on rigorous data analytics to measure effectiveness



## Examples of strong internal brands from global peers

“Where you work touches lives.”

— Disney

“Rock Solid® Total Rewards.”

— Prudential

“Inspired by purpose. Have your career validated 4 billion times a day.”

— P&G

“Grow with us.”

— Kellogg

“Share your passion.”

— BMW

“Great people make great beer.”

— Miller Coors

“Help us build a smarter planet.”

— IBM

“Do cool things that matter.”

— Google

Source: Company websites

# Questions

**WillisTowersWatson** 

**Pam Weinacht**  
**(804)677-9012**

[pam.weinacht@willistowerswatson.com](mailto:pam.weinacht@willistowerswatson.com)