



Are you paying your staff what they are worth?

Whilst it is important for businesses to cut costs and increase returns, staff salaries should not be among the factors which are kept on a tight budget.

People are the most important aspect of any business. Where would your company be without them? As with training, benefits and salaries, your staff are your greatest investment and what you put in directly affects what you get back.

These are the three big reasons paying great salaries are worth it.

1) Proving you know their value

Expecting staff to work hard for a lower salary than they would get elsewhere says one thing: you don't appreciate their worth. Nowadays employee satisfaction is a major player in why people apply for jobs and if people aren't happy, they aren't afraid to job hop. Nothing builds a strong morale and work ethic like feeling truly appreciated by your employer. Ensure that the salaries you are offering are sending out the right message. You need to demonstrate that you are committed to your staff, that you appreciate them and that they are valued for what they do.

Some organisations have rules in place that don't allow an individual's salary to be increased beyond a certain percentage, even if promoted. Whilst this is probably seen as a safeguard against a manager giving a mate a big pay rise, if the process is too rigid your best people will soon have their heads turned by better offers.

2) Retention and attraction

People job hop when they aren't happy. You should structure your salaries so that you keep the great staff that you've already got and are attracting the top quality candidates that you need. It is very unlikely that you will get experienced and highly skilled individuals applying to work at your organisation when they are in high demand for better money elsewhere. If you offer excellent salaries you'll have the advantage of excellent candidates, and the best workers bring the best returns.

Many a successful company has been built on paying well for excellent people. The best people make everyone else's job easier too, as they never need carrying and their dependability means others can get on with what they do best too.

3) Investing in your assets

Like any investment, it could take time to see a return, but providing benefits so that your best employees stick with your business will pay off in the long run. Every company needs people who have been there for the long haul, those who know the business inside out, have been part of the growth and changes, and who are loyal to the company's future. Keeping up with salary trends and staying competitive will ensure you always keep a selection of long-standing employees under your roof. A big win for employer brand and a big win for your investment. When good people are looking to move they will be attracted to a company that has very low attrition, they will know that employees only stay for the long haul if they are looked after along the way.