

# Increased salaries not the answer

Drake International has forecast that unemployment rates will fall in March, and warns employers that this points to higher staff turnover risks.

According to David Edwards, Strategic Manager of Drake International, "with almost half of all employers reporting they are struggling to fill skilled vacancies, staff retention is a key issue and simply providing salary increases is not the answer to retain staff."

Drake's latest survey identified that:

- 80% of employees felt that having challenging and satisfying work was very important if they were to stay with their employer;

- 75% of employees felt that an improved work/life balance and

better leadership and management would influence them to stay; and

- Increased salary was not rated an important motivator by many respondents.

"Salary increases are generally not the solution to staff turnover," warned Edwards. "While staff will leave if they are not paid a fair wage, increasing salary alone is not the answer to improving staff retention, and can result in a competitive wage spiral which is not sustainable."

Employees identified the following factors as very important in influencing them to stay in their Organisations:

- Challenging and satisfying work - 79.5%

- Better work/life balance - 74.9%

- Improved leadership/management - 74.5%

- Greater career development - 72.8%

- Increased learning and development opportunity - 70.5%

- Increased salary - 56.4%

In advocating that more employers should focus on increasing employee engagement, Edwards said, "Not only are disengaged employees twice as likely to leave their employer as engaged employees, but they are also more prone to absenteeism and significantly more likely to have dissatisfied clients." ■