



Technology Compensation: Looking Beyond Base Pay



Technology drives every facet of today's world – from simple everyday tasks to complex business processes. The result has created an often complex recruitment process for today's leading staffing companies.

The fierce competition for [tech skills](#) is projected to grow 12 percent from 2014 to 2024, according to the [Bureau of Labor Statistics](#), creating a ravenous demand that has escalated [IT salary trends](#). But as the staffing experts below make clear, a competitive starting salary is often just the first step in successfully signing top IT talent.



Jennifer Bensusen, senior recruiter and technology lead at [Decision Toolbox](#)

"Before the hire, understand what the market dictates. Base is pretty important to people, and then depending on location, they'll be interested in equity stakes if that's available, especially in a startup mode or small company."

"It's always great if you have [transparency with compensation](#), so when you do attract new talent, everyone knows what everyone else is paying."

"You need to look at [performance bonuses](#) -- people are attracted to that. And it's always helpful to offer someone a little more than they were asking -- that gets the candidate excited and ensures that they won't entertain other offers."

"Sign on bonuses are great, especially when you can't be as effective with [equity](#). You can add retention to it, such as a percentage up front, and then if the person stays on for six or 12 months, they get another piece of it; or you can attach it to project incentives."

Somer Conley, senior consultant, tech practice, [Marlin Hawk](#)

"When recruiting top executive talent from technology-driven organizations, candidates are highly-compensated -- not only in base and bonus but also with long-term incentives."

"Many hiring organizations have found creative ways to cover candidates' unvested equity and options (the amount they would be leaving on the table if they were to exit their current role.) Many organizations transfer a large portion of this "buyout" into their own restricted stock options with a similar vesting schedule, and cover the rest with an additional sign-on bonus."

Matthew J. Toeller, VP Total Rewards & HR Operations, [GoDaddy](#)

"As in most public companies, we have a very attractive equity plan for [new hires](#) and existing employees. We look at our employee population to ensure the velocity of promotion and advancement is appropriate for the employee growth and organizational needs."

“Total rewards are more than just a salary number. Other qualities such as [company culture](#) as well as an opportunity to advance make a significant impact. While salary isn’t the top priority for many applicants, employers definitely need to know the math in specific markets to ensure their packages match or go above the going rate in the region. We continue to benchmark our Total Rewards package on a frequent basis. This allows us to be nimble when market conditions change, not only with base salary and bonus equity, but also with workplace updates.”

“When it comes to must-haves, it comes down to a [cultural fit](#) for both the candidate and GoDaddy. We look beyond just base pay, as we tend to be one of the top-tier payer in the markets we operate in; we look for the candidates who can fit into our culture and have the drive to be extraordinary.”

Peter Gault, president of [Gault Staffing Inc.](#)

“As a direct-hire firm, we're seeing more tech companies offer strong initial starting wages and salaries. We're also seeing creative compensation being delivered through quality-of-life benefits such as more initial time off and [flex hours](#).”

“Hire-on bonuses are making a return to attract top talent. A few long-term incentives we've seen include five-figure year-end, 3-year, and 5-year bonuses; partnership or even patent ownership opportunities. “Long-term” has lost the meaning of 10 or more years it once had. With things advancing so quickly, 5 years is now a lifetime in the tech world.”

John Reed, senior executive director for [Robert Half Technology](#)

“You’ve got to do your homework. Do your research and understand the companies you’re competing with -- what they’re offering, what perks are out there. Evaluate what you’re paying existing staff. One mistake we’ve seen is managers putting together a really competitive offer that they don’t even pay their current employees. There will be a lack of loyalty or appreciation.”

“Cash compensation is important. We’ve done hundreds and hundreds of surveys over the years with candidates and cash compensation is always the number one motivator. But don’t just focus on the cash; it’s also about the [flexibility](#). I talked to a candidate today who took a pay cut to have the ability to work at home with his wife and new baby.”

“Salary is what people look at to get their market value. It’s almost mandatory to have some sort of bonus potential, whether it’s a team or company bonus. Not a lot of companies don’t offer that.”