

HR Insights

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Total Rewards – Compensation and Benefits

Many employers are becoming increasingly concerned with how to sustain and recruit a high-quality workforce while also maintaining costs.

What steps are you taking to make sure that you are an employer of choice? How are you promoting the full value of your company and your offerings?

Total Rewards Concept

Establishing a total rewards program is not a new concept for employee recruitment and retention. For years, employer groups have produced total compensation or “hidden paycheck” statements that detail compensation and benefits costs. These programs are extremely important in improving recruiting and retention strategies in a tight labor market.

Total rewards programs provide monetary, beneficial and developmental rewards to individuals within an organization who meet specific goals. These incentives are perceived to be of value in the employment relationship, including:

- Base and variable pay
- Group insurance (medical, dental, life, retirement, savings, etc.)
- Paid time off (PTO)
- Recognition programs
- Training and career opportunities

These elements are interdependent and may have different values and importance to each person. Ultimately, the outcome of a total rewards approach

is to provide each individual with a combination of monetary and non-monetary rewards to motivate them to maintain desired business performance.

Weighing the Options

The Top Five Total Rewards Priorities Survey, sponsored by Deloitte Consulting and the International Society of Certified Employee Benefit Specialists (ISCEBS), surveyed Human Resources professionals from 22 countries around the world (in the Americas, Europe, the Middle East and Asia Pacific). Respondents were to represent their company's views on many questions and to share personal opinions on others.

Despite differences in political and cultural climates, 35% of respondents reported that their top challenge in the coming years is to find, motivate and retain top talent.

Other challenges listed include the rising cost of total rewards, being able to afford significant pay increases in a cost reduction environment, navigating through uncertain economic conditions and anticipating new tax and regulatory requirements, and providing meaningful total rewards to employees.

Re-evaluation, redesign, alignment and differentiation of programs seem to be the most popular strategies among employers. To cater to



your employees and determine what they value and prefer to receive in exchange for their time and talent, consider using surveys, focus groups and exit interviews to gather the needed information. Plus, on a consistent basis, communicate with employees concerning what incentives are offered and how they can take advantage of the rewards in their unique circumstances.

Creating and Implementing a Total Rewards Program

To create an effective total rewards program at your organization, consider putting together a team of individuals to assess your current benefits package and how it helps your company achieve its goals. If you find that you are not meeting the organization's objective, then implementing or enhancing a total rewards program may be the right strategy for you.

Here's how to develop a solid program:

- Ask management to identify and analyze various rewards strategies to determine what would suit your workplace best. Consider pay rewards, nontraditional benefits and personal development opportunities to further company objectives.
- Implement the new system by publicizing it to your employees and educating management personnel.
- Train employees on how they can use the program to achieve results for personal success and for company goals.
- Evaluate the program's effectiveness and make necessary changes to further achieve your goals.

To help employees understand the concept of total rewards, there are many online tools that will allow them to view information on benefits and compensation statements, learning opportunities, paid time off, educational reimbursement policies, wellness activities, and career development and recognition programs.

Consider implementing a total rewards program or revamping your current one to meet the company's needs and the needs of individual employees in order to increase the value of your investment.