



Total Rewards

What your business needs
and your people want

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AGENDA

The Stuff I'll Talk About

- › **The Real World**
 - What really matters to employees?

- › **Total Rewards**
 - What does it mean?
 - How does it help my business and people?

- › **Fundamentals of Total Rewards**
 - How do I get started?
 - What are the steps to get there?





glassdoor



0-5
Overall Score

- › Culture & Values
- › Diversity & Inclusion
- › Work/Life Balance
- › Senior Management
- › Compensation & Benefits
- › Career Opportunities



Which of these items predict employee experience ratings?

- › Culture & Values
- › Diversity & Inclusion
- › Work/Life Balance
- › Senior Management
- › Compensation & Benefits
- › Career Opportunities



Compensation & Benefits

guided by

aligned with

Culture & Values





Total Rewards?

Please explain.

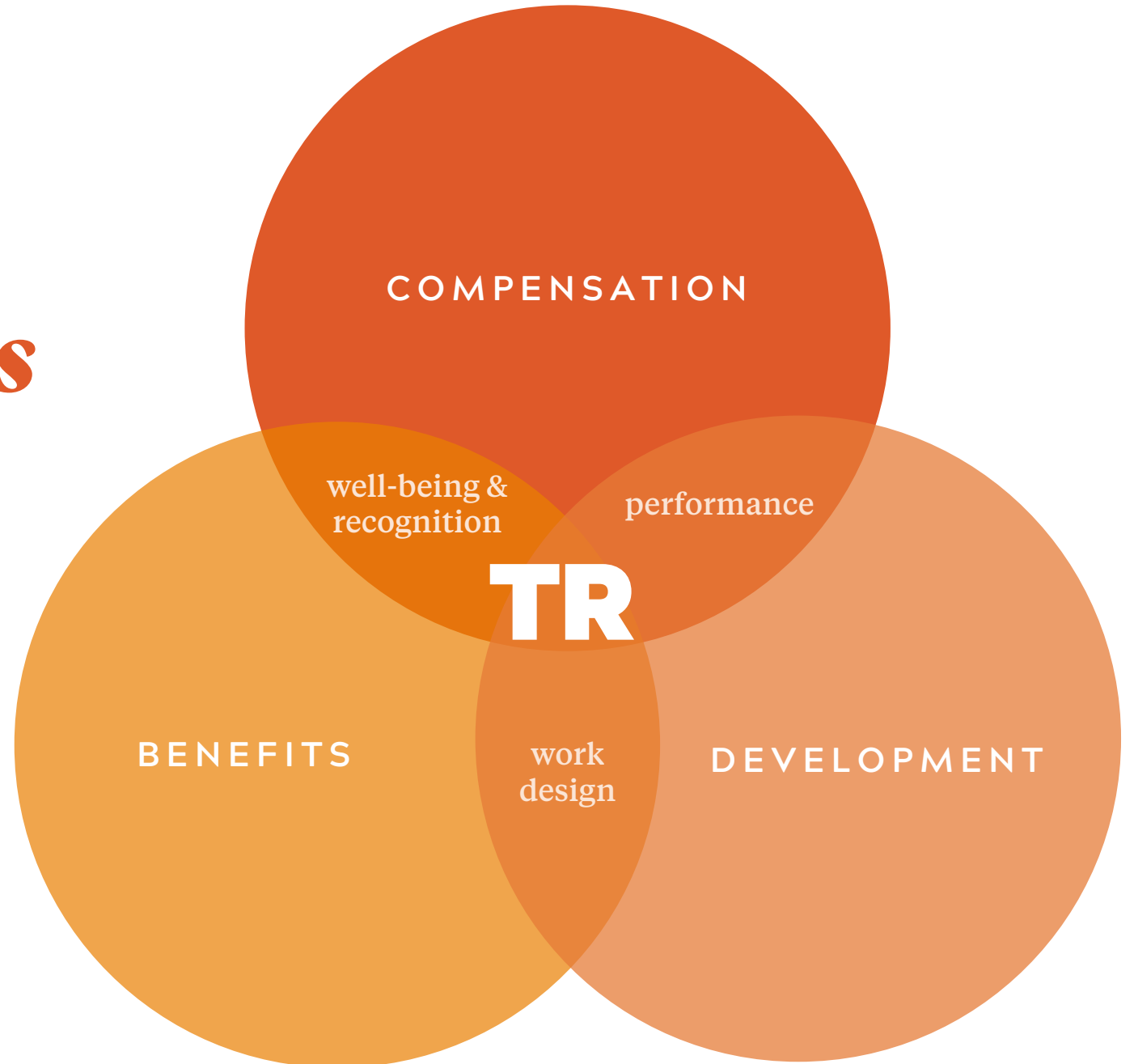


Total Rewards

1. *plural noun*: The sum of all elements of the employee value proposition.
2. *strategy*: A holistic approach to attracting, retaining, and engaging talent.



Elements of Total Rewards





Total Rewards Strategy

Step for Success



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Me

Work



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500+ connections



Things & Stuff



Kansas State University



1. Align with Business Objectives

How can TR contribute to the achievement of the company's goals?

Total Rewards Strategy Design

1. Align Total Rewards Strategy with Business Objectives

- › Objective: Increase Profits
 - How can TR contribute? Lower cash expenditure
 - Strategic TR Initiatives
 - Retain top performers - retaining is cheaper than replacing
 - Build talent instead of buy - takes more time, but costs less
- › Objective: Increase Customer Retention
 - How can TR contribute?
 - ...



2. Document Your Baseline

What is our full value proposition
today?

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2. Make a comprehensive record of our current rewards

› Compensation

- Fixed Pay
 - Base Pay - Salary & Hourly
- Variable Pay
 - Short-Term Incentives
 - Annual bonuses - as a % of base by job level
 - Sales commissions - based on quarterly and annual quotas
 - Long-Term Incentives
 - Shared ownership - Stock Option (ISO) grants based on job level

› Benefits

- Health Benefits
 - Medical, Dental



3. Gather Benchmark Data

What data do we have and need to benchmark our practices?

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3. Gather Comprehensive Benchmark Data

› External Sources

- Compensation: Salary Surveys, Salary Budget Surveys, Labor Statistics
- Benefits: Health Benefit Benchmark Reports, 401(k) Benchmark Reports
- ...

› Internal Sources

- Annual Employee Sentiment Survey
- Quarterly Employee Pulse Survey
- Responses from Candidate, New Hire, and Exit surveys
- ...



4. Identify Your Needs

Where is our current offering out of alignment with our philosophy and benchmarks?

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4. Identify Needs by Comparing Actual vs. Target

- › Compensation *We need structure and consistency!*
 - Fixed Pay
 - Base Pay - *We're struggling with complaints and turnover; below target*
 - Variable Pay
 - Short-Term Incentives *We are above target with bonuses; could shift mix of pay*
 - Long-Term Incentives *Missing out on opportunity to provide motivation and alignment with long-term success*
- › Benefits *The package is strong compared to Comp*
 - Health Benefits
 - Medical *Plan is great, but we need to lower cost to employee; below target*
 - Dental *Plan is more affordable than the benchmark*



5. Consider Segmentation

Would segmentation help us achieve our objectives?



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5. Segment Population to Achieve Business Objectives

- › Business Objective: Increase Customer Retention
- › TR Initiative: Deploy bonus plan for Customer Support team based on retention and NPS metrics



6. Formalize Your Strategy & Roadmap

How does this all fit together into a step-by-step plan of action?



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6. Formalize a Strategy & Roadmap

› Strategy

- Develop and utilize structures and processes that align our rewards with the market median of peer companies. Ensure each new initiative facilitates the achievement of our overall business objectives, aligns with our company values, recognizes individual and team performance, and enhances our culture.

› Roadmap of Key Initiatives

- Q1: Design market-based pay ranges and job levels to facilitate fair pay decisions
- Q2: Deploy bonus plan for Customer Support team to drive up NPS/retention
- Q4: Decrease Medical Plan premiums for employees to match benchmark



7. Craft Communications

How should we communicate our strategy and roadmap to management and employees in the right way and at the right time?

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7. Craft Communications to Management and Employees

- › Target Audiences
 - Management & Employees - different levels of detail necessary
- › Key Messages
 - For management
 - Moving from Wild West to strategy-driven, market-based structures
 - Preview of strategy and roadmap items
 - Talking points for conversations with employees
 - For employees
 - Video message from CEO, CFO, and CHRO
 - 1-1 meetings with managers (using prepared talking points)
 - ...



8. Measure, Evaluate, Adjust

As we implement these initiatives, how and when can we measure effectiveness, evaluate needs, and adjust our course?

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8. Measure, Evaluate, Adjust

› Metrics

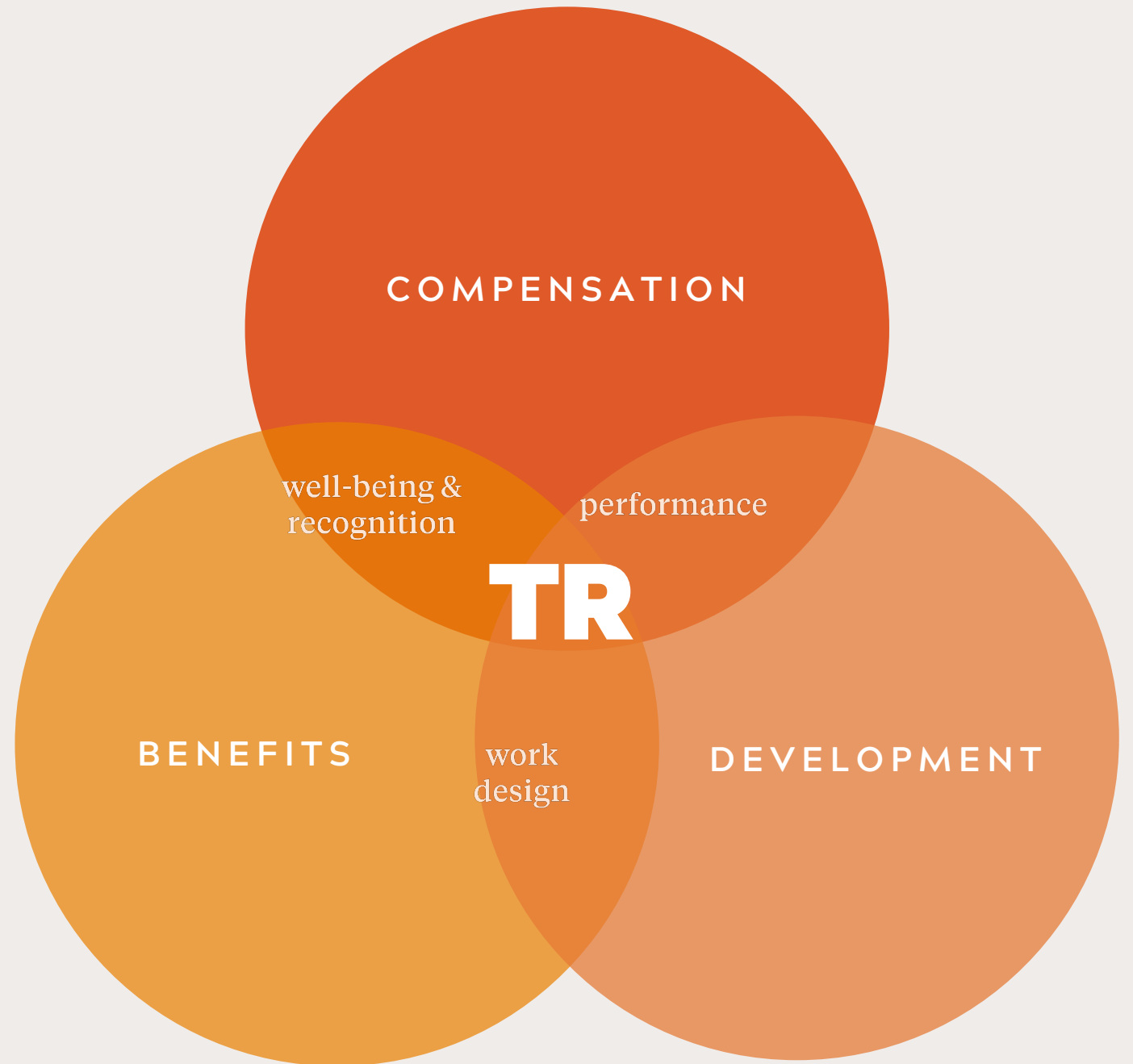
- ENPS - overall, compensation, benefits, development, etc.
- Point-in-time surveys - track scores from candidates, new hires, and terms
- Rewards Scorecard - measure progress from baseline to target

› Evaluate & Adjust

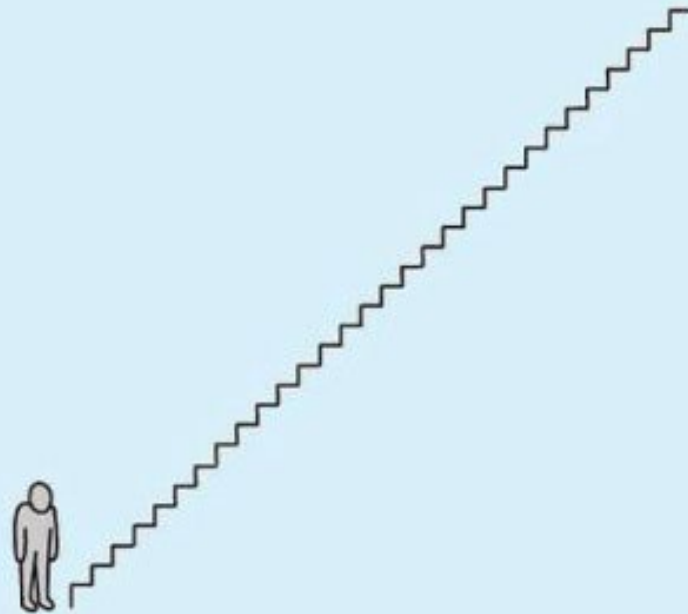
- Meet quarterly as HR team to review metrics and discuss progress and needs
- Evaluate roadmap items against new information; develop alternatives
- Model potential changes to assess impact
- Present findings and recommendations to senior leadership semi-annually
- ...



Total Rewards strategy is your plan of action to leverage the appropriate mix of rewards to attract, retain, and engage the right talent in pursuit of your business objectives



WHEN EVERYTHING
FEELS OVERWHELMING



JUST FOCUS
ON THIS



LIZ FOSSLIEN

Q & A



Total Rewards Consulting

GBS is here to help you succeed.

