

10 ways to hit a total rewards home run

Are you considering adopting a total rewards strategy in your organization? Here are 10 ways to help ensure the total rewards program is the latest blockbuster to come out of the HR department.

Define it: Total rewards can mean different things to different people. In some cases, total rewards may include only cash-related compensation, such as base pay, short- and long-term incentives and stock options.

In other cases, total rewards may include the cash-related compensation plus the commuted value of the pension plan, benefit plan and other perquisites. Some employers include a definition that is even broader than that, adding training and development, the working climate and even job security.

When HR is talking total rewards, the first step is to ensure everyone, including senior management, HR and the employees, are all on the same page in terms of what is included and what is excluded in the definition.

Be clear on the outcome: Assuming the company's total reward offerings are currently operating in silos, what is mo-



■ ON TOTAL REWARDS

DAPHNE WOOLF

tivating the organization to move to a total rewards orientation?

If it's cost management, what costs are the organization hoping to manage? In what areas? By how much? Over what time frame? If it's an enhanced perceived value by employees, does the company use a survey tool with quantitative scores that it hopes will improve by moving to a total rewards orientation? If so, what is the score it is looking for? In what areas? And when does it hope to achieve those levels?

When embarking on a total rewards strategy, ensure the company has measurable, achievable, reasonable and specific outcomes clearly set out.

Be clear on how the outcomes will be realized: It's critical for organizations to understand,

on all fronts, what is involved in moving towards a total rewards program. They must know what they're getting into, what it will cost and how long it will take. This includes:

- allocation of internal resources;
- cost of external suppliers and resources;
- cost of communication and related technology; and
- the timing for everything.

Organizations should include some margins for extenuating circumstances. The process may take longer and cost more than anticipated for any number of good reasons. HR maintains credibility when it can stand behind its commitments.

Therefore, if HR states a total rewards platform can be accomplished by April 1 at a cost of \$50,000, that means all of the planning should have the project completed by March and the total cost coming in at \$40,000. If HR is ready early and the program costs less than expected, it's a hero. If it's the other way around, it's a goat.

Ensure senior management are onside: HR needs senior management on side for three reasons. First, HR wants them

to support the time and budget resources to make a total rewards program a reality. Second, HR wants senior management to be champions and endorse the initiative with all other employees.

Third, HR doesn't want senior management to derail the process after it has already embarked on the course ahead. This results in many negatives, not to mention inappropriate use of time and money but also a potential loss of credibility for HR.

Make sure senior management understands why HR is moving the company to a total rewards orientation and what the outcome will be. Then, in excruciating detail, let them know what is involved so there are no surprises for them along the way.

Be committed to communication: Under the assumption that nothing is actually changing in the plan or program designs, total rewards is all about repackaging what is already there for increased employee awareness and enhanced value.

This means the initiative is all about effective communication and ensuring employees

See Next Page

Line managers can sink programs

Continued From Previous Page

understand what total rewards is and how it benefits them. The key to effective communication is that it be taken in by the employees. It doesn't matter if you have the slickest website or the fanciest brochure. What matters is that employees are receiving the information in a way that ensures the message is heard.

This is not a trivial point. Many total rewards programs that are brilliantly designed fall apart in the post-rollout evaluation simply because employees didn't get it because the communication fell short.

Find out what employees need in order to pay attention and then focus the communication strategy in that direction.

Consider the role of technology: Technology is what makes the rollout of a total rewards program feasible. Technology is critical for enrolment, monitoring changes and tax reporting. It allows an employee to access the information from home to review with a spouse. It can allow employees to do modelling of different investment options or choices if the program includes a flexible benefit plan.

The total rewards program

can have electronic links that allow the employee to access data from the insurance company, custodian or administrator directly from the company's total rewards website.

If HR wants to track employee awareness, it simply can look at the number of hits the total rewards website gets and which areas employees are most interested in. Technology can help monitor whether or not the outcomes are met and can be a great tool to facilitate effective communication.

Allow enough time to do it right: It's better to roll out a program late, without glitches, than to be on time with glitches. It's simply more trouble than it's worth to meet an unreasonable deadline, even if it's a deadline HR set and will miss.

Rolling it out on time with problems takes more time in the end because of all the errors that need to be corrected and the damage control. Ideally, the program will be delivered on time correctly, but if HR knows it's not going to be able to roll out as promised it should communicate that fact immediately because last minute notices of a delay make things even worse.

Keeping everyone informed of the progress, and the rea-

sons for any delays, will help ensure the process goes smoothly.

Keep the customer in mind: Irrespective of what HR is trying to accomplish for the company in terms of total rewards, don't forget that the end user and recipient is the employee.

How well the plan goes over is directly related to the extent that the total rewards offering meets employees' needs. Survey employees during the planning stages about their preconceptions with total rewards and find out what they are looking for from the company.

Targeting the program directly regarding concerns identified by employees increases the likelihood of success.

Ensure managers are on side: It's not just senior management that HR needs to worry about. Managers can easily derail an initiative by not supporting HR, just as much as senior management can.

Managers are usually the ones employees go to with questions. Managers need to be able to answer questions and position total rewards in a favourable light. To do this, managers need advance knowledge every step of the way. They want to be credible

with their employees and they want to demonstrate leadership by sending the right messages that are consistent with what HR is saying.

That's why it's critical to ensure managers are in the know and are trained in the details of the total rewards offering so they can answer employees' questions with confidence and be HR's greatest promoter.

Be creative: Total rewards can be a tool both to reinforce the HR brand and also brand the rewards and recognition offering of the company. Recognizable branding involves being creative.

HR can be creative in the design, communication and delivery mechanisms. The more innovative they are, the more prominence the total rewards offering will have in the minds of employees.

So don't hold back. Be creative, because being creative is memorable. If the company is spending a lot of money rewarding and recognizing employees, they should know about it, like it and remember it.

Daphne Woolf is managing partner with the Collin Baer Group Ltd. She can be reached at dwoolf@collinbaer.com or (416) 461-5600.

**Bookmark once.
Visit often.
www.hrreporter.com**

