

# **Blueprint for Success: Building a Total Rewards Strategy and Gaining Leadership Buy-in**

**Supplemental Materials**



## Table of Contents

Key Questions that HR Needs to Answer .....	1
Design Your Strategy Using Input and Feedback.....	3
Communicate and Implement .....	6
Key Performance Indicators .....	8
Creating A Total Rewards Strategy .....	10
Sample Total Rewards Strategy .....	11
HRCI and SHRM Credit Information .....	12
Event Feedback .....	12

## Key Questions that HR Needs to Answer

1. What are the Organization's Primary Services/Products? (Is your workforce aligned with your strategic goals and priorities?)

Start Here: Review the current "Total Rewards Package" in terms of reinforcing the strategic priorities of the organization such as Customer Service, Profitability, Quality, Growth in Market Share.

---

---

---

2. What Kind of Workforce is needed to accomplish these outcomes?

Start Here: Does our "Total Rewards Package" attract the talent and the behaviors we need to succeed? If not, what is lacking.

---

---

---

3. What do the people we want to attract and retain need from us?

Start Here: Identify opportunities to segment the employee population for different types of rewards based on what they care about most. For example: Career Progression Programs, Flexible Scheduling, Spot-Bonus Programs.

---

---

---

4. What do we need to offer to become an employer of choice for the best talent?

Start Here: How large of a factor is base pay? How do we position incentives and equity? How do benefits, wellness and anything with financial value impact our strategy?

---

---

---

5. Where can we stick out from the crowd?

Start Here: Items viewed as significant from the employee viewpoint can balance out the investments. Look at Flexible Scheduling, Pay Transparency, Commitment to Training and Development, etc.

---

---

---

6. How will we manage the trade-offs when emphasizing one part of total rewards over another?

Start Here: Highlighting specific aspects of your total rewards will inevitably require de-emphasizing other aspects. For example, trading off Career Progression and Pay For Competency vs. traditional Pay for Performance/Merit Programs

---

---

---

## Design Your Strategy Using Input and Feedback

When designing a total rewards strategy, it is crucial to gather input and feedback from various stakeholders to ensure its relevance, effectiveness, and acceptance. Here are some key sources of input and feedback that are important during the design phase:

1. **Employee input:** Employees are at the heart of any total rewards strategy. Solicit input and feedback from employees through surveys, focus groups, or one-on-one discussions. Understand their preferences, needs, and aspirations regarding compensation, benefits, work-life balance, career development, and recognition. Consider their feedback when shaping the rewards programs.
2. **Managers and Supervisors:** Managers and supervisors play a vital role in implementing and communicating the total rewards strategy to their teams. Seek their input on the challenges they face in managing compensation, performance, and employee motivation. Understand their perspective on what motivates and retains employees. Their insights can help shape effective rewards programs and align them with managerial expectations.
3. **Industry Benchmarks and Market Data:** Use external sources such as industry surveys, market data, and compensation benchmarking to gather insights into prevailing industry practices and competitive compensation trends. Compare your organization's compensation offerings with industry peers to identify gaps and opportunities for improvement.
4. **Continuous Feedback Mechanisms:** Establish ongoing feedback mechanisms, such as suggestion boxes, anonymous surveys, or regular check-ins, to capture feedback from employees and stakeholders after the implementation of the total rewards strategy. This allows for continuous improvement and adaptation based on changing needs and emerging trends.

**Discussing the Strategy with Senior Leadership:** Seek input and buy-in from executive leadership, including the CEO, CFO, and other key leaders. Engage in discussions to understand the organization's strategic direction, business objectives, and financial constraints. Align the total rewards strategy with the organization's goals and values, and demonstrate how it supports the overall business strategy.

**Tips for a successful discussion and review with Senior Leadership:**

- **Tailor Your Pitch**

It's essential for issue sellers to familiarize themselves with their audience's unique blend of goals, values, and knowledge and to allow that insight to shape their messages.

---

---

---

- Frame the Issue

Highlight the idea's business benefits

---

---

---

- Create a Tactical Campaign

Carefully lay a foundation for your argument, tactic by tactic, as you acquire resources and knowledge

---

---

---

- Get the Timing Right

Find the right moment to raise your ideas - watch for organizational priority shifts, when certain key stakeholders leave/join, or when a boss' preoccupations change

---

---

---

- Involve Others (mentor/strategic leader/partner)

Bring others into your effort by gaining alignment of a key stakeholder

---

---

---

- Adhere to Norms

What data types do your leaders use to make decisions – outside stats, financials, long or short-term projections? How do leaders prefer to receive information – before or during a meeting?

---

---

---

- Suggest Solutions

Proposing a solution signals that the seller has put the effort and thought into the issue. As a part of your tactical campaign, deliver solutions that you have determined would be possible next steps or appropriate activities.

---

---

---

## Communicate and Implement

Communicating and implementing a total rewards strategy effectively is essential to ensure understanding, engagement, and successful adoption by employees. Here's a step-by-step guide on how to communicate and implement a total rewards strategy:

1. **Develop a Communication Plan:** Create a comprehensive communication plan that outlines the key messages, target audience, communication channels, and timeline for sharing information about the total rewards strategy. Consider using multiple channels such as emails, town hall meetings, intranet portals, and video presentations to reach a wide range of employees.
2. **Tailor Messages for Different Stakeholders:** Customize the communication messages to address the specific needs and interests of different stakeholder groups. Craft messages that resonate with employees at all levels, from frontline workers to executives. Highlight the value and benefits of the total rewards strategy for both the organization and individual employees.
3. **Clearly Articulate the Strategy:** Clearly communicate the purpose, goals, and components of the total rewards strategy. Explain how it aligns with the organization's mission, values, and business objectives. Use simple, jargon-free language to ensure understanding across all employee levels.

Ensure that you emphasize the value proposition that the total rewards strategy brings to employees. Highlight how the rewards programs support career development, work-life balance, recognition, health and wellness, and financial well-being. Help employees understand how the strategy enhances their overall employee experience.

4. **Provide Training and Education:** Conduct training sessions or workshops to educate managers and HR professionals about the total rewards strategy. Equip them with the knowledge and resources needed to effectively communicate and implement the rewards programs within their teams. Ensure they understand how to answer employee questions and address concerns.
5. **Encourage Two-Way Communication:** Create opportunities for employees to provide feedback, ask questions, and share their thoughts on the total rewards strategy. Foster an open and transparent culture where employees feel comfortable expressing their opinions. Consider hosting Q&A sessions, focus groups, or suggestion boxes to gather input.

Incorporate visual aids such as infographics, charts, and examples to make the total rewards strategy more accessible and understandable. Visuals can help employees grasp complex concepts and see how the rewards programs apply to their individual situations.



6. **Roll Out in Phases:** Consider implementing the total rewards strategy in phases to manage the change effectively. Begin with a pilot group or specific departments, gather feedback, and make necessary adjustments before expanding the implementation to the entire organization. This approach allows for fine-tuning and reduces potential disruption.
7. **Continuously Reinforce and Evaluate:** Consistently reinforce the messaging and benefits of the total rewards strategy throughout the implementation process. Use various communication channels to provide regular updates, share success stories, and address any concerns or misconceptions. Continuously evaluate the effectiveness of the communication efforts and make adjustments as needed.

## Key Performance Indicators

Key Performance Indicators (KPIs) are essential for measuring the effectiveness and impact of a total rewards strategy. The specific KPIs may vary depending on the organization's objectives and priorities, but here are some commonly used KPIs for evaluating a total rewards strategy:

- **Employee Satisfaction:** Measure overall employee satisfaction with the total rewards package, including compensation, benefits, recognition, and work-life balance.

How? Conduct employee surveys or use engagement surveys to gather feedback and track changes in satisfaction levels over time.

- **Turnover Rate:** Track the turnover rate to measure the effectiveness of the total rewards strategy in retaining top talent. A lower turnover rate indicates that employees are satisfied and motivated to stay with the organization.

How? Monitor turnover rates over time and compare them to industry benchmarks. Utilize various periods of employment length (less than 90 days, less than 1 year, etc.) to support analysis.

- **Staffing Levels:** Assess the efficiency of the hiring process and the organization's ability to fill critical roles. A high vacancy rate may indicate challenges in attracting and retaining talent, while a low vacancy rate may suggest effective workforce planning and talent acquisition.

How? Measure the percentage of unfilled positions within the organization (openings vs. budgeted positions). You can look at critical positions, difficult to fill roles, or others that are unique to your organization.

- **Talent Acquisition:** Evaluate the impact of the total rewards strategy on attracting top talent. A successful total rewards strategy should help attract and hire high-quality candidates.

How? Measure metrics such as time-to-fill vacancies, quality of hires, and the number of qualified candidates per opening.

- **Promotion and Lateral Movement:** This indicator reflects the organization's ability to provide growth opportunities and recognize employee potential. Seek to understand the impact of promotions and lateral moves on employee development, career progression, and overall organization performance.

How? Track and measure the number of employees that have been promoted or moved to new roles as a development opportunity. Review: talent development plans for overview of standards and process, compensation strategies that host career paths, and organizational challenges that drive change.

- **Total Compensation Cost:** Assess the cost-effectiveness of the total rewards strategy by monitoring the organization's total compensation costs.

How? Compare the costs of salaries, benefits, and other reward programs to revenue or operating expenses. Aim for a balance between competitive compensation and cost efficiency.

- **Performance Improvement:** Evaluate the impact of the total rewards strategy on employee performance and productivity. Measure improvements over time to assess the effectiveness of the rewards programs.

How? Track metrics such as individual and team performance goals, sales targets, customer satisfaction scores, or productivity metrics.

- **Benefits Utilization:** Monitor the utilization of employee benefits to gauge their value and relevance. High utilization rates indicate that employees perceive value in the benefits offered.

How? Measure metrics such as participation rates in health and wellness programs, retirement plan enrollment, or utilization of flexible work arrangements.

- **Pay Equity:** Assess pay equity within the organization by monitoring gender or ethnicity pay gaps. Ensure that the total rewards strategy promotes fairness and equality in compensation.

How? Measure the difference in compensation between demographic groups and track progress in reducing disparities. Demographic groups to compare can include gender, ethnicity/race, age, job function, tenure, education level.

## Creating A Total Rewards Strategy

A total rewards strategy is a comprehensive approach that organizations use to attract, motivate, engage, and retain employees by offering a combination of financial and non-financial rewards. It goes beyond just monetary compensation and includes a wide range of elements that collectively contribute to the overall value proposition for employees.

A total rewards strategy can include various elements, and will typically cover the following components:

1. **Compensation:** This includes base salary, variable pay (such as bonuses or incentives), and equity-based compensation. It aims to provide competitive and fair financial rewards that recognize employees' skills, performance, and contributions.
2. **Benefits:** These encompass various employee benefits such as health insurance, retirement plans, paid time off, disability coverage, and other perks. Benefits are designed to support employees' well-being, security, and work-life balance.
3. **Recognition and Rewards:** Recognition programs acknowledge and appreciate employees' achievements, efforts, and contributions. It can include formal recognition programs, informal appreciation, or rewards for exceptional performance or milestones.
4. **Career Development:** This component focuses on opportunities for growth, learning, and advancement within the organization. It includes training programs, mentoring, coaching, and career planning initiatives that support employees' professional development.
5. **Work-Life Balance:** Programs and policies that help employees achieve a healthy work-life balance, such as flexible work arrangements, parental leave, wellness initiatives, and support services, are part of the total rewards strategy.
6. **Work Environment:** Creating a positive and inclusive work environment that fosters collaboration, engagement, and employee satisfaction is an important aspect of a total rewards strategy. It encompasses factors such as organizational culture, leadership style, and employee relations.
7. **Performance Management:** Effective performance management practices, including goal setting, feedback, and performance evaluations, are integral to a total rewards strategy. Clear performance expectations and recognition of achievements align employees' efforts with organizational objectives.
8. **Communication:** Transparent communication is crucial in ensuring employees understand the value and benefits of the total rewards package. Regular communication about compensation, benefits, and other rewards elements helps in building trust and employee engagement.

## Sample Total Rewards Strategy

**Base Salary & Wages:** Our Company is committed to providing competitive base salaries based on market benchmarks, job responsibilities, and individual performance. We conduct regular salary reviews to ensure alignment with market trends and support the goal of providing above-average wages.

**Pay Transparency:** The Company is committed to being transparent on pay by providing specific pay range information to each employee on their positions as well as to openly post pay grade/pay range information on every job opening.

**Variable Pay:** The Company has implemented a performance-based incentive program tied to individual, team, and organizational goals, offering bonuses, commissions, or profit-sharing based on performance achievements.

**Benefits:** The Company provides a comprehensive benefits package, including health insurance, dental and vision coverage, retirement plans, paid time off (vacation, sick leave, holidays), and employee assistance programs (EAPs). The Company pays approximately 80% of health benefit premiums and maintains above industry average for paid time off benefits.

**Recognition and Rewards:** The Company has established formal recognition program that acknowledges and rewards employee contributions, such as spot bonuses, peer-to-peer recognition, or employee of the month/year awards.

**Career Development:** The Company offers career development opportunities such as training programs, mentorship initiatives, tuition reimbursement, and internal job postings to support employees' professional growth and advancement.

**Work-Life Balance:** The Company promotes work-life balance by offering flexible work arrangements, telecommuting options, parental leave, and wellness programs to support employees' physical and mental well-being.

**Performance Management:** The Company has implemented a robust performance management system that sets clear expectations, provides regular feedback, and offers opportunities for career progression and skill development.

**Communication and Education:** Communication of the Company's total rewards strategy to employees occurs through various channels, including total rewards statements, town hall meetings, and intranet portals. Educational resources to help employees understand the value and benefits of the rewards programs are consistently developed and designed to ensure the needs of the employees are met.

## **HRCI and SHRM Credit Information**

Course Title: Blueprint for Success: Building a Total Rewards Strategy and Gaining Leadership Buy-In

HRCI: Activity/Program ID: 630625

SHRM: Activity 23-USQVJ

## **Event Feedback**

Please scan the QRC below and let us know about your experience with *Blueprint for Success: Building a Total Rewards Strategy and Gaining Leadership Buy-In*



<https://www.research.net/r/VMZ6JFN>

# THANK YOU



**Comprehensive HR Services for Companies of Any Size**

**Missouri Office**

12851 Manchester Road  
Suite 150  
St. Louis, MO 63131

**314-968-3600**

**Illinois Office**

401 SW Water St  
Suite 205  
Peoria, IL 61602

**309-637-3333**

**Indiana Office**

450 E 96th St  
Suite 500  
Indianapolis, IN 46240

**317-960-3487**