

Retaining top talent with a competitive reward strategy

Masterclass handout



Masterclass structure

- 01** **The basics of total reward**
- 02** **Designing a total reward package**
- 03** **Examples: Case studies**
- 04** **Rolling out and measuring your reward strategy**
- 05** **Top takeaways**

About the expert

Nebel Crowhurst has been recognised on the HR Magazine 'Most Influential Practitioner' list for 2021, 2022 and 2023. She is currently the Chief People Officer at Reward Gateway.

As one of the top minds on competitive compensation, Nebel places an exceptional amount of focus on delivering business results through employee experience.

In this masterclass, Nebel will take you through how organisations should view total reward and a step-by-step approach to building reward strategies that help fulfil your organisational goals.



What is 'total reward'?

Total reward is the combination of the following three elements:

Benefits

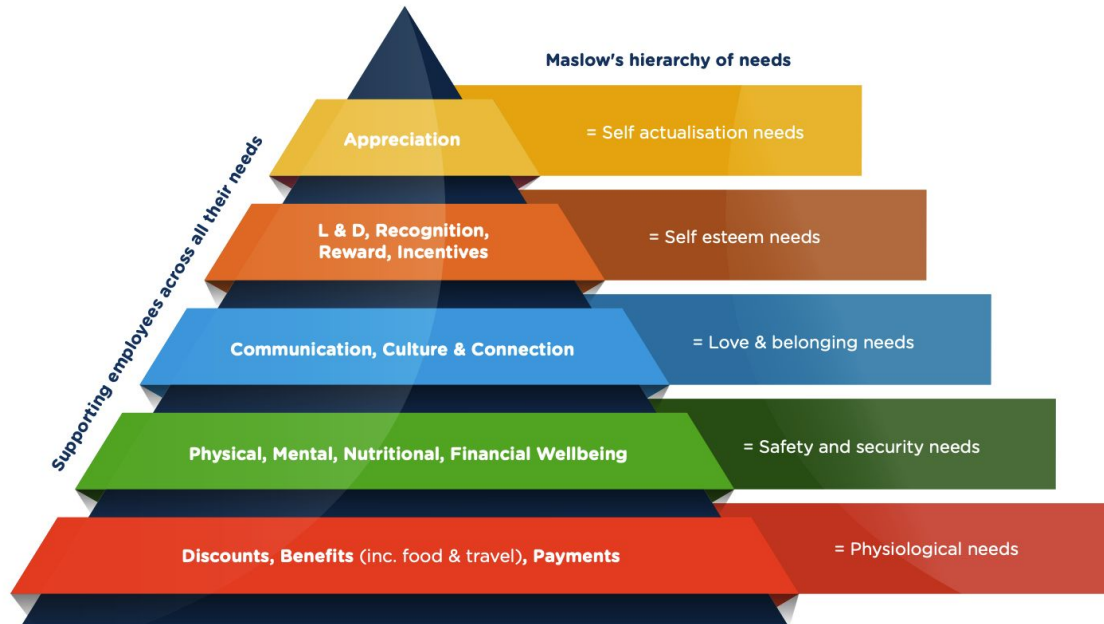
Compensation

Rewards

Total reward is a key element of your organisation's Employer Value Proposition (EVP). It should reflect where your organisation is now and how it is growing.

The Total Employee Experience Pyramid

Ensure an equitable split up and down the pyramid:



Designing your package

To work out which benefits will be most attractive to your people, follow this four-step approach:

1. Gather your data

Conduct a salary benchmarking exercise and adjust your salary bands accordingly. Conduct surveys, focus groups and one-to-one interviews to gather feedback directly from employees, identifying common themes.

2. Build employee personas

Start with broader segments such as desk-based workers and front-line workers, remote and in-office employees, or parents and non-parents. Map out what your workforce looks like and which groups are represented.

3. Map out your benefits

Combine your employee personas with the Total Employee Experience Pyramid to provide value for each employee segment at all levels of the pyramid. You could even map out several pyramids, one for each employee persona.

4. Review and adjust

Remember: you are never finished. Regularly review and update your total rewards package to remain competitive and aligned with your organisational goals. Factor in ongoing feedback and changing workforce dynamics.

Different generations have different needs

One way you could think about grouping the needs of your people is by generation. Remember: no generation is a monolith — ask your employees what they need through surveys and interviews.

Gen Z employees value:

- Flexibility
- Technology integration
- Career advancement
- Real-time feedback
- Social & environmental credentials

Millennial employees value:

- Flexibility
- Career advancement
- Work-life balance
- Purpose-driven work
- Remote options
- Wellbeing programmes
- Continuous learning

Gen X employees value:

- Stability
- Financial security
- Work-life balance
- Health insurance
- Leadership development

Baby Boomer employees value:

- Retirement planning
- Health benefits
- Recognition for experience
- Flexible working

Generation Alpha are just starting to join the workforce. We're still learning about their values and expectations, so solicit feedback from this group regularly.

Case study 1: A national gym company

Situation

75% of this company's 2,200 employees are deskless.

There was no system in place to fully recognise the achievements of this hard-to-reach demographic.

The company chose to approach their employees' needs as though they were customers in their own right.

Actions

- 'eCards' to share recognition digitally
- Monetary incentives
- Peer-to-peer recognition

Digital reward and recognition

Results

- Employee engagement increased by 14%
- Retention boosted

Don't forget: Keep a clear KPI in mind, such as engagement. Recognition is a key part of any rewards strategy — don't underestimate it!

Case study 2: A fashion retail organisation

Situation

With a disparate workforce spanning multiple countries, the goal was to show employees how appreciated they were in order to drive up employee engagement and, in turn, retention.

What was especially critical here was ensuring that whatever they put in place was easily accessible to their workforce of frontline employees.

Actions

- Discounts
- Wellbeing resources
- Communications

Centralised employee hub

Results

- Employees spent > £100k in rewards in just one year
- One of the UK's best companies to work for in 2023

Don't forget: Even if your organisation offers comprehensive benefits, you may need to think about how you bring everything under one roof to fully unlock employee usage and engagement.

Communication is key

Communicating your total reward package externally as part of your Employer Value Proposition is important, but don't forget effective *internal* communication.

Here's what that looks like:

Use multiple channels

- Onboarding
- Company intranet
- Newsletters
- Town hall meetings

Provide detailed explanations

When employees understand how their compensation is structured, they feel more valued and engaged. Explain how your rewards package supports their personal and professional goals.

Update employees on changes

To maintain trust and engagement, share any enhancements or changes clearly and widely. Communicate how your packages have evolved alongside your workforce.

Make data-driven decisions

To measure your total rewards programmes and identify areas for improvement, gather key insights to inform your strategy:

Compensation benchmarking

To attract and retain top talent, regularly compare your salary and benefits against industry standards and adjust as necessary.

Compensation management software

This can help with: automated salary reviews, transparent budget allocation, and clear communication to all stakeholders.

Employee surveys

Conduct regular surveys to gather feedback. Analyse the data to identify trends and areas where employees feel improvements are needed.

Anecdotal data

'Stay interviews' are a forum where you can ask your top performers why they choose to stay with your organisation and what's keeping them around.

Communicate your success

Communicating the effectiveness of your benefits and reward programmes to the executive suite is vital for securing ongoing investment.

Recruitment metrics

Candidate feedback, quality of hire metrics and offer acceptance rates can help showcase how your total rewards package helps attract top talent.

Engagement and retention metrics

Employee net promoter scores (eNPS), turnover rates and benefit usage rates can illustrate how your rewards package can motivate your workforce.

Anecdotal examples

Highlight specific examples of how benefits and recognition programmes have positively impacted employee morale and performance.

Return on investment

Reward Gateway's recent Economic Value Study quantifies the link between employee engagement and business performance. Organisations with an effective total rewards strategy typically achieve a 5-7% bottom-line increase.

Remember these things

Think beyond salary and bonuses

Total reward includes benefits, recognition, communication, development and, most of all, appreciation for your workforce.

Employee priorities are shifting

Flexibility, career development and purpose-driven work are only becoming more important.

Communicate transparently

Ensure that employees understand, value and use the benefits in their total reward package.



All your data, all together

Put an end to searching through countless files and systems. Personio gives you a single source of truth for all your people data — so budgeting for total rewards, building reports and answering complex questions is quick and easy.

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The People Operating System