

Total rewards

When aligned practices foster talent management and drive performance

The working world is changing: The war for talent. Attraction and retention challenges.

Business plan alignment efforts. The search for sustainable performance. Giving meaning to one's work...

These are just some of the common challenges

most organizations are facing today.

Other commonalities are the numerous

inconsistencies

in total rewards practices

and the poor attribution

of managers' roles.



Has the time come for a change of posture? It's up to us to strike the right balance between designing programs and the role managers play within their teams. Let's become coaches to help them in their commitment of giving meaning to their employees' work, to guide them in their career path and to show them the benefits of total rewards that are consistent with the organization's business culture and objectives.

The involvement of managers requires alignment in total rewards practices. The discourse must be clear about the reasons behind each decision, each process put in place and each distinctive element of the

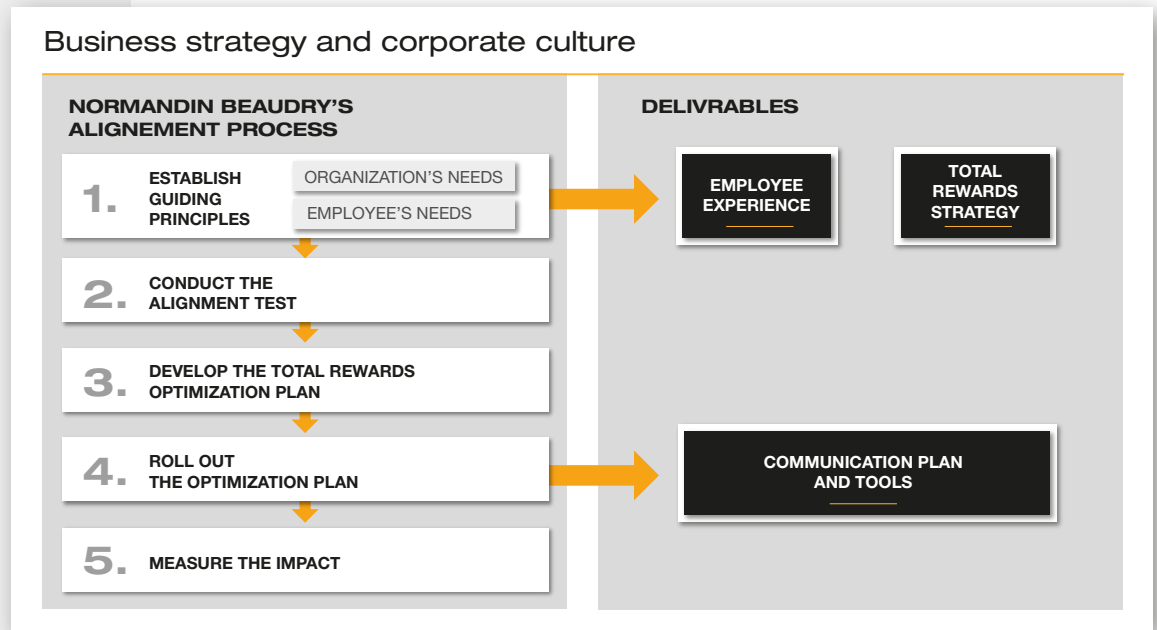
overall offer. In order to convince others, managers must first be convinced that they are themselves well compensated!

And to be able to speak with conviction, it is imperative that managers be involved in the brainstorming, decision-making, common discourse and design of compensation programs.

This all highlights the importance of undertaking an alignment process and reviewing all decisions that were made—often piecemeal—about total rewards and to take an objective look to determine their compatibility with the original intent.

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The alignment process is meant to generate a common discourse and to explain why the organization does what it does; how total rewards practices reinforce the business culture, how they facilitate the implementation of the business plan and how they become a source of meaning and equity for employees.



“ The alignment process is meant to generate a common discourse and to explain why the organization does what it does ”

This process consists of five steps. It starts by establishing guiding principles that lay the groundwork for all total rewards decisions. Simplicity, performance, transparency, differentiation and cost control are but a few examples.

Guiding principles are generally determined by the organization's decision-makers based on its strategic needs. They can also be inspired by employee needs, which come to light through surveys or other consultation methods.

Working sessions with management committees are of an incomparable value. This is rare moment where decision-makers take a step back, together, to think about the foundations of their strategy and decision-making process for all components of total rewards: from the base salary to non-monetary components, such as workplace wellness or collegial atmosphere. These stakeholders are often the first to express their surprise at the added value that emerges. Moreover, we have identified four competitive advantages that can be found in organizations that have completed this process:

1.

They are less likely to replicate market trends, as they have adopted practices based on guiding principles that support their own business plan and culture.

2.

Employees have a greater perceived value of the total rewards offer as it is clearly communicated, and they have a better understanding of the foundations.

3.

They have a greater control of workforce costs, as decisions are taken in a total rewards framework.

4.

They are more sensitive to the needs of their employees, thereby providing them with greater room to grow.

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The optimization plan (step 3) becomes clearer once the alignment test (step 2) has been completed. The test consists of filtering all practices through each guiding principle, by asking the three following questions:

“ It doesn't matter if everything is not yet perfectly structured; as long as the game plan is clear and managers are equipped to talk about it, employees will have a positive vision of the future. ”

What practices are aligned with this principle?

What practices are not aligned with this principle?

In light of this principle, what practices should be adjusted/added?

The optimization plan can then be rolled out over several years. As for the common discourse, it carries more weight when it is openly shared. It doesn't matter if everything is not yet perfectly structured; as long as the game plan is clear and managers are equipped to talk about it, employees will have a positive vision of the future, thereby generating greater appreciation of the present, as proven by neuroscience.



As compensation specialists, it's best to be comfortable in this movement rather than wait for everything to be perfect. And to make sure managers fully embody their role, the placemat pitch is second to none!

To be able to explain, on a piece of paper during a lunch with a candidate or an employee, the organization's total rewards offer and why it is structured the way it is will not only create trust, but a sense of fairness and meaning to the work each employee does, in one's mind and in one's heart.

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who is normandin beaudry?

Founded 25 years ago, with offices in Toronto, Montreal, and Quebec City, Normandin Beaudry is now among the largest Total Rewards Canadian-owned consulting firms.

With over 180 experts, we help hundreds of clients create human capital and financial performance every year. Our team of compensation professionals approach situations from a targeted results standpoint. Whether through very specialized assignments or on-site interventions, we deliver simple and innovative solutions to meet your strategic and tactical needs. Our knowledge of market practices includes every aspect of total rewards, from base pay and incentive pay to employee benefits plans and retirement plans, as well as paid time off.