

TOTAL REWARDS: *What have you done for me lately?*

Total rewards refers to the benefits an organization provides to employees, in exchange for working at the organization. To attract and retain top talent, best practice organizations remind employees on a regular basis of the value these benefits bring.

EMPLOYEES AS CONSUMERS

As consumers, we are used to real-time information. We can scan a product's code on a shelf and determine which nearby stores are selling the product at a cheaper cost. We expect immediate responses to texts and know significantly more about our high school acquaintances (with help from social media) than ever before.

We also don't take time to frequently read 5-page articles. We want quick, easy information so we can move on.

Typical Benefits Within Total Rewards

- Base Pay/Merit Increases
- Variable Pay (incentives, bonuses, etc.)
- Health, Dental, Vision Insurance
- Retirement Benefits (401(k)/pension)
- Short-Term Disability/Long-Term Disability

- Culture/Work Environment
- Flexibility of Work Hours
- Paid Time Off
- Tuition Reimbursement
- Training and Development
- Clothing Allowance
- Recognition (service awards, spot awards)
- Other Perks (discounts, pet insurance)



This mentality carries over into the workplace. Employees want access to the information they need, when they need it, and don't want to take a lot of time to find that information. Few employees will remember the value of their health benefits after their annual enrollment window is over. Likewise, if you follow best practice and provide your employees with a total rewards statement, they likely will forget the information included in there after a month or two.

Most employers only talk to their employees about compensation when they receive an annual increase or incentive payment. This is a missed opportunity for employers, especially in today's labor market.

EMPLOYMENT TRENDS

The unemployment rate across the United States continues to decline. In April 2019, the U.S. unemployment rate was 3.6%. That figure has hovered between 3.6 and 4.0% for the past year. There is also a national trend for people to migrate away from rural and into urban areas.

On top of these national trends, younger employees expect faster advancement and increased development opportunities than previous generations. This combination of factors creates additional stress on employers to find and retain qualified employees to work in rural locations. Employee attraction and retention is a common issue across the agricultural industry.

COMMUNICATION STRATEGY

The change in employee expectations combined with a smaller supply of available talent could cause employees to be more willing to leave the organization for other opportunities. It is easy for employees to forget the value of the benefits and compensation they receive from your organization. Implementing a year-round total rewards communication strategy can help keep organizational investments in employees at the top of the employees' minds.

A total rewards communication plan is most valuable when it starts with asking the question of: "What's in it for me?" Consumers are used to ordering products on Amazon, which tailors content based on a consumer's past preferences. While it is not likely you can emulate this concept in total rewards communications, below are key components to consider when creating and implementing a total rewards strategy.



Content. Not all benefits are created equal. Think through all the benefits that are paid to or given to employees at your organization. This can include benefits with hard costs, such as merit increases and health benefits, as well as soft costs, such as a positive working environment or flexibility in hours worked. Organizations that are strategic in reviewing what is most important to employees and focusing on those benefits will be most successful when launching an ongoing total rewards communication initiative.



As part of the analysis, best practice organizations segment their workforce based on specific benefits received or that are of specific interest. Organizations may segment employees by the types of benefits employees are eligible for, based on age, location or type of job. Using the "what's in it for me" concept requires employers to think through which benefits employees are eligible for, such as grandfathered pension plans, and then tailoring communications to target specific audiences. Paid time off benefits such as Maternity and Paternity leave may not be important to someone who is nearing retirement, but that same employee may be very interested in what their paid time off options are in supporting an aging parent.

When developing content, ensure the language is easy to understand, HR jargon is removed and the content helps the reader better understand the benefit and how it brings value to them as an individual. Ask someone who is not familiar with the content to review communications prior to distribution.

Timing. While some topics could be shared at any time of the year, there are strategic times when it is more beneficial to highlight benefits like compensation and paid time off.

A communication on the value of health benefits may be most helpful near annual enrollment time, and an overview of variable pay opportunities may be most beneficial at the beginning or end of the incentive plan year. Likewise, describing the thought process and decision making behind merit increase amounts may be more valuable to communicate right before employees receive merit increases than in the middle of the year.



Delivery. Think through the best way to communicate your message with employees.

Depending on the topic and timing, you may want to consider one or more of the following:

- Manager talking points to deliver personalized messages
- All-team meeting to highlight broad-based programs
- Intranet content for current employees
- External-facing website content for applicants
- Emails and/or posters that highlight one benefit at a time to build greater understanding
- Text messages
- Prepared videos from President/CEO on value of the benefits or highlighting a specific benefit
- Total rewards statement that includes compensation, value of benefits (employee and employer paid portions), overview of soft benefits

SUMMARY

Implementing a comprehensive total rewards communication strategy helps employees understand the true value of the benefits they receive. In the absence of information, programs and benefits may go unnoticed or unappreciated. While it may not seem important on a daily basis, understanding the value of the benefits received is critical in the long-term. Your total rewards communication strategy for applicants, new hires and current employees will impact your employee engagement and ability to attract and retain talent.

Are you ready to get the word out? Contact Foundations Consulting for assistance in creating and implementing a total rewards communication strategy.

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