

TOTAL REWARDS IN FUTURE-READY ORGANIZATIONS

The concept of a "future-ready" organization has gained significant attention in recent years but many companies are still not investing enough to be "future-ready". A future-ready organization is agile, innovative, and able to navigate the unpredictability of tomorrow's business world. We are seeing various people trends that are playing out globally, and one major area of change is in the area of "Total Rewards."

Understanding Gaps in Total Rewards

- Lack of Personalisation
- Inadequate Communication
- Ignoring Non-Monetary Rewards
- Not addressing pay gaps
- Too little or too much reliance on external data
- Rigid internal compensation processes

Read on for our take on this important topic...



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Latest Trends in Total Rewards :

- Emphasis on job levels and the employee life cycle.
- Increased recognition and appreciation.
- Implementation of holistic wellness programs.
- Development of the employee value proposition.
- Adoption of flexible work arrangements.
- In recent times, executive compensation has come under a lot of scrutiny by many regulators to prevent human greed in the system.

Advice for the HR Leaders:

- Understand your employee segments and what is important to them at each stage of their lives.
- Include both tangible and intangible rewards.
- Utilize multisource data; for example, recruitment teams typically have a good idea of the market value for each job. Consider three-tier data: role-specific, industry-specific, and general market-specific, as no two organizations are alike, making it impossible to get an exact match."
- Build and Promote your Employee Value Proposition internally and externally

Advice for the Business Leaders/Line Managers:

- Do not solely depend on cash to solve your retention problem, as many employee engagement surveys prove that cash is not the number one motivator. Employees are also looking for learning, growth, and a sense of belonging.
- Avoid negotiating salary when the employee has resigned; it typically leads to contradictory messaging.
- Ask HR to share market data and internal benchmarks so you can understand where your team stands.
- Do not make promises without discussing them with HR or simply passing on disgruntled employees to HR.

In conclusion, a strategic understanding of the organization's overall goals and the type of behaviour you want to reinforce in the organization will help you determine your total rewards framework.

Do you want to modernise your total rewards?

We are happy to help you, contact

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