



5 Low-Cost, Intangible Rewards That Can Have a Big Impact on the Bottom Line

As HR Practitioners, we are truly transforming into Business Professionals with an HR Acumen. In the turbulent economic times we are getting a rapid lesson in Finance where we have been required to cut into the core of traditional HR programs including significant levels of staff to meet the financial bottom line of the organization. Moving forward, Marketing will be a significant focus as we rebuild and promote our offerings to remaining staff, ensuring they remain engaged and stay with the company in the future.

As we begin to see new light and the “death from a thousand cuts slows” we can get on with business as usual ...right!?? Not! It won't be business as usual for a long time for as the economy settles, the top performing employees who have been “spared” are taking on much more with fewer or no extra rewards. They know and we know they will always have a range of options. They are becoming more savvy about their expanding talents. It's up to us to work diligently at ensuring that their choice is to stay or they will look elsewhere or even be lured away without much effort on their part. It's critical that we take note now and develop a comprehensive plan because the future pain of losing them could be more severe than what we are facing now.

A “Total Rewards” marketing approach supports any proactive culture. It enhances motivation and retention and it's a great attraction tool for the future. We all have some or most of the aspects highlighted in this article but making the most of them and “marketing” them could be new but the edge that's needed as we move forward. Tangible rewards are the ones that typically cost the most and at the forefront of our minds. However, it's the intangible ones that are gaining the most importance to many of us very quickly and will have the greatest motivation and retention factors.

Tangible Total Rewards

Compensation and Benefits are the tangible rewards that we think about and are taking the biggest “hit” right now. For the most part, employees understand the need for the changes but as key attraction tools, these programs are still important to market and communicate as part of the Total Rewards offering.

While most employees know what incentive measures they are compensated for, not all employees understand how their base pay is determined. Developing a communication strategy around your job evaluation system, such as how ranges are developed, how you benchmark against your competition, where levels and titles fit in and why and how employee's progress through the ranges makes everything transparent and fully supports a performance driven culture.

Although Benefits is a smaller component of the overall cost than compensation, it is growing exponentially in relation to compensation and not typically sustainable in the long run. Employers have taken this opportunity to critically review their benefit plans, cut and restructure. Communicating what you have in your plan, various plan options, how to access it and how it can support ongoing health is imperative for ongoing sustainability. People want to be good consumers in all aspects of their lives, so providing the knowledge and clear understanding of all aspects of the benefit programs and the cost drivers in the plan is a critical part of the HR function. This marketing effort takes the focus away from potential cutbacks and gives employees the feeling of contribution.

Given the ongoing stressors in the working world with compounding personal pressures and government downloading, Benefits will continue to have sustainability issues...but it's truly a golden opportunity to review true costs driving your plan and take a long term, proactive and transparent approach to change and ensure positive reactions and outcomes that translate into better returns for the company and employees.

Intangible Total Rewards

Fully understanding, embracing and utilizing Total Rewards is a critical component of your influence and contribution to your business as an HR Practitioner. By initiating and/or marketing intangible rewards along with traditional compensation and benefit programs you will be supporting your employees need for appreciation, respect and demonstrates the company's commitment to them and their wellbeing. A proactive rewards strategy will have a positive influence on performance and behaviour, which influences, retention, company costs, leadership, training and customer satisfaction which ultimately influences profit and shareholder value. Whether you are looking to enhance your company culture or shift what you have now, initiating and /or marketing the intangible factors of Total Rewards make good business sense, especially in these times of economic uncertainty when what we all want and need is – more time, to feel respected & valued.

Four areas that have great impact, are cost effective, sustainable and fulfill our needs are:

- Career Development
- Recognition
- Coaching
- Wellness-Work/Life
- Communication

Career Development

During these stressful times, it's easy for the employees to become resentful for having to take on extra work of terminated colleagues with little or no extra compensation. However, with some careful planning, additional responsibilities can be presented as opportunities for growth and development ensuring that the change will be more successful. HR can create an additional focal point for new skill development (technical and/or leadership) in the current performance development plans (or just highlight it if you have one already) so it stands out and employees can clearly see the new skills they are developing. Ideally this should be started at the onset of new work so the employee will understand the link. Sometimes, however, we are all thrown in it without notice, so as soon as the new skill opportunity is recognized, the leader should take the extra time to acknowledge the new skill development, support and encourage it.

Recognition

For some, taking on new opportunities may be enough however, for most it's not. If employees are not recognized, it's easy for them to become disengaged or even indifferent which can result in the misuse of company time, programs and property. It can also negatively impact retention strategies and future costs. Being proactive and taking recognition a step further can include formal training or mentoring around the new skill development to enhance on the job learning, special bonus or reclassification to a new role if appropriate.

Building confidence through recognition is a very strong business advantage and supports employee engagement in 3 separate ways.

- It demonstrates the company's commitment and support for the extra effort
- It encourages continued extra effort
- It feeds the employees need for appreciation and belonging

Start by examining all current recognition programs (company wide and individual group) including costs and recognition reasoning to determine their relevance and impact to the current business environment. Whether it's eliminating some, changing or enhancing others, ensuring recognition is meaningful and tied into corporate goals can be a critical strategic advantage.

Coaching

For many of us the busyness of our working lives leaves us less time for our personal lives which are in themselves getting more complex everyday. While becoming a professional coach does take formal training, being a good coach is innately in leaders because in most cases leaders take on the roles so they can enhance their technical skills and develop leadership skills.

The most important aspect of coaching which is *listening*, gets lost because of all the "noise" surrounding us. Leaders need to spend *quality* time with their team coaching them, which in the simplest of terms is spending one on one time, "clearing the decks" and truly listening. To ensure effective listening, leaders need to be *present* more than just physically. Leaders shouldn't necessarily solve the problem of their employees but listen fully and ask simple questions like "How can I help you with this?" or "What solution can you think of?" More times than not employees want to release their concerns and feel heard. By asking simple questions you are allowing them to take accountability for the concern. By adopting the coaching methodology the leader is giving time and supporting with brainstorming but the employee owns the outcome, therefore, the balance of the work remains with the employee and not the leader.

Organization Wellness

For many HR Practitioners selling organizational wellness has been an uphill battle. The current economic climate is the perfect time to look at it as an important business retention strategy and long term cost saving initiative. Not only are rising benefit costs an issue but the somewhat hidden costs of workers compensation, harassment, wrongful dismissal and presenteeism (at work physically only but mentally not working) rise in turbulent economies and have long lasting impact on an organization. Many organizations have wellness initiatives within their framework and can enhance them by adding in elements that support employee personal wellbeing such, as workplace flexibility, convenience services, sabbaticals or vacation bonus. EAP providers are also a fantastic resource for many wellness needs. To sell the concept, all ideas are only valuable to the executive team if you are able to measure results and tie them into the overall

business strategy. Preparing comparisons of recent years benefit and hidden costs vs. these years should be a great support with this effort.

Communication

Although communication is traditionally a business strategy, now more than ever it is directly related a retention strategy. It's much easier to communicate when there's an easy message to share but when times are tough, it's even more important for employers to communicate more with their team. Keeping on the pulse of what's going on with employees is a critical aspect of their engagement. Reviewing your overall communication strategy or developing one at this time can be a great investment. Whether its newsletters, face to face, email, voicemail or another method suitable for your culture talking about the good, the bad and the ugly will give employees a chance to understand, vent, feel heard and positively support the business in moving forward. In most cases, employees understand the business realities and the need for compensation and benefits cost cutting when explained properly but when given the chance, they are more than happy to be part of the solution. If the leadership team doesn't fill the void, employees will fill it ...with whatever they fear the most and that will lead to a huge increase in presenteeism.

Team meetings play a vital role and should be tailored to the company size, culture, how information is shared but in stressful times, face to face is best. Traditionally, if not much company information is shared; this could be the perfect time to revisit this as a culture shift opportunity to one with more transparency.

Meetings should be company wide cascading down to individual team meetings and most importantly, should be regular. Individual leaders hold the bulk of responsibility to continually meet increasing expectations. They need to have their finger on the heart beat of their team because they will be the ones struggling the most if their people leave.

Company wide meetings should include information such as overall corporate changes, opportunities arising, challenges being faced, existing business and an open forum where employees have the opportunity to vent and provide input for positive change. While individual management meetings can re-iterate this information, these meetings should focus specifically on work objectives, how to meet them, focus on employee development, recognize great effort and demonstrate understanding and appreciation for the extra effort. In stressful times, we naturally withdraw so keeping the team together and talking can spark the innovation and creativity that may be missing.

In chaotic times, we are constantly scrambling with little time to focus on the future but that future day will come very soon when the financial "belts are still tight". Great employees are beginning to leave for better opportunities now, so there is no time to spare to strategically realign how you engage your best talent and keep them with you.

Recognizing that the bulk of responsibility falls on HR for the creation of change and leaders for the execution of it, appropriate training and support is needed in these areas to realize the most impact. Cost effective solutions may require some capital investment but the good news is that these costs do not need to increase exponentially as base pay and benefits do. None of the suggestions in this article are mutually exclusive and can be tailored to the needs or your culture quite easily.

Who knew when you began your career in HR you would get extensive experience in Finance and Marketing as well!