

How to improve your employee experience

Using more effective total rewards communication



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Why total rewards communication matters and the ROI to prove it

Recession? Bull market? Flex work? Remote? Gig? Employers must adjust their employee playbooks with every economic cycle and workplace shift. Maintaining and enhancing employee engagement during and following these disruptions can be challenging, but it doesn't have to be. Employers who communicate with their employees in a personalized way through the lens of total rewards have a distinct advantage over their competitors.

Total rewards encompass the elements that matter most to employees:



Pay



Benefits



Career programs



Wellbeing

These elements provide a framework to strengthen employee engagement through effective total rewards communication.

Inspiration, trust, inclusion, fair pay, collaboration and support are all key drivers of a high-performing employee experience and a great culture. In this e-book we explore the intersection of these drivers within the lens of the total rewards framework.

Let's start with pay, because every employee does

Colorado was the first state to pass pay transparency laws in 2021. California, Washington and New York followed suit, and in 2023 many employers will have to disclose pay ranges in job postings in these states.

This presents a challenge to all employers. With this information now in the public domain, even employers without employees in these states are impacted. Employees routinely search for jobs like their own to assess "pay fairness." And while most employees don't factor in cost-of-living adjustments for different locations or the supply and demand of skilled workers in those locations, employers must be prepared to manage employee expectations when asked.

Savvy employers will proactively develop individualized total rewards communications showing each employee his or her base and variable pay values and how they fit within the employee's salary band structure.

You can do this by clearly communicating your compensation philosophy and how it connects to your overall total rewards value proposition. For most employers, base pay is only one element to compare against other markets. There could be variable pay opportunities such as shift differential and overtime, short-term incentive plans and long-term incentives that round out the total opportunity to earn within your organization. These details aren't included in job postings but should be a central part of your employee compensation communications program.

Savvy employers will proactively develop individualized total rewards communications showing each employee his or her base and variable pay values and how they fit within the employee's salary band structure. This clarity builds trust within the organization and clearly demonstrates fair pay practices. Those same employers will also prepare their managers to have candid conversations about base pay with their direct reports. By doing this, managers can guide each employee toward ways to develop new competencies that will benefit both the employee and the organization and how those new competencies factor into pay increases. Providing managers with consistent messaging is the foundation for building trust in leadership.

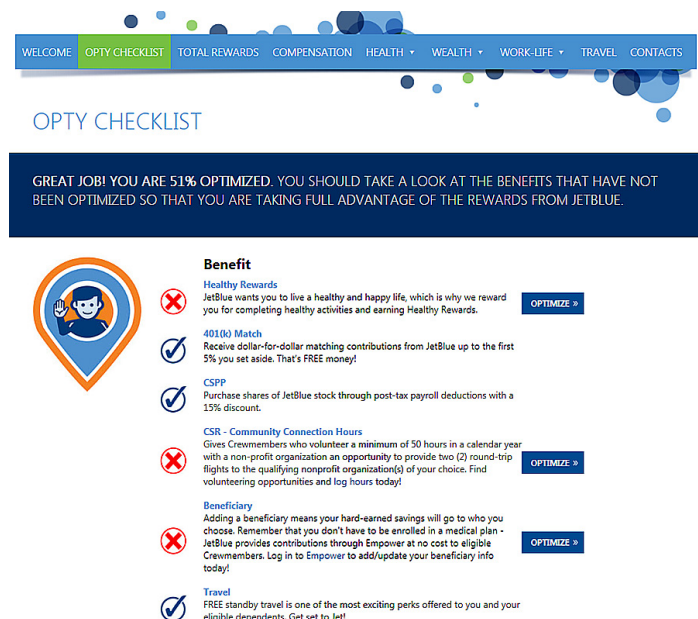


Shift focus from benefit costs to the value they provide

More and more, employees are turning to their employers for help and support with their benefits. In fact, benefits play an increasingly important role in employee decisions to stay or leave their organization. According to WTW's 2022 Global Benefits Attitudes Survey, employees want health and retirement security from their employers. In many countries, the importance of health and retirement benefits as attraction and retention tools has reached a 10-year high. Flexible work arrangements are also an essential consideration for employees weighing job options.

In our analysis of employee benefit priorities, the survey found the most important benefit employees want their employers to focus on is retirement (44%) followed by flexible work (39%). Within the group of employees who rated flexible work as an important benefit for employers to focus on, half (50%) want more generous paid time off and sick leave, 47% desire work from anywhere/remote work options, and 45% prefer the option to determine when they work. Managing employee health also emerged as an important issue among a third of respondents (33%).

JetBlue's online total rewards experience



For decades, employers have communicated the value of total rewards by highlighting the overall cost to employees as “the hidden paycheck.” That method worked successfully, but it only tells part of the story. Not every benefit program has an employer cost, and not every program can be quantified individually. In addition to cost, employers need to communicate how benefit programs support employee needs and offer suggestions on optimizing their total rewards.

For example, JetBlue created an online total rewards experience that empowered crew members' personal decision making. Instead of presenting crew members with a list of numbers outlining how much each of their benefits cost, employees were given the ability to optimize their total rewards and derive value through the experience. Data-driven personalization allowed JetBlue to show its crew members how much they could get by taking advantage of different programs.

To communicate the value of benefit programs, combine relevant content into one solution. Otherwise, you're only telling part of the story.

44%

of employees want their employers to focus on retirement



Focus on career

The value of career-building opportunities cannot be overlooked as part of each employee's total rewards. While pay and benefits play a critical role in keeping employees engaged, there will be a time when employees desire more. As they test the market, they will find other employers that can offer similar if not better pay and benefits.

The question is, How do you position career growth within your total rewards framework?



Career development and mentorship opportunities

Career development opportunities are integral to a strategic total rewards package. Highlighting opportunities to upskill and reskill helps retain staff who keep your organization moving forward. Communicating opportunities for growth that could lead to promotions and the ability to earn more is an element of total rewards communications organizations often overlook.

When you ask more senior employees what experiences mattered most to them throughout their careers, you don't hear about pay bumps or benefit packages; you hear about opportunities that have enriched them or stretched them beyond their comfort zone. You'll also hear about the people who mattered most to them. Mentors, for example, provide experiences and advice. In the past, mentor-mentee relationships typically happened organically. That's no longer the case. Developing robust, equitable mentorship programs, and other career programs, and then communicating them to employees plays a significant role in today's most attractive total rewards programs.

Your total rewards experience must include publicizing and promoting career, learning and development opportunities and the full slate of available career-growth resources to employees.



Culture and ESG as contribution levers

Organizational culture can be another significant factor in employee turnover. Companies with a great culture infuse it as part of the value of working there. After all, who wouldn't want to work in a collaborative and supportive work environment, where everyone is working toward fulfilling his or her mission and enjoying the work while doing it. Don't overlook promoting your strong culture in your communications with employees, including your total rewards communications. The connection to culture and social responsibility is an important topic to communicate within the context of the total deal. Even the best total rewards programs won't convince employees to stay in a toxic environment or work with managers whom they don't trust.

Today, employees are closely monitoring their employers' environmental, social and governance (ESG) initiatives. Like culture, ESG messaging can be tied to the total rewards value proposition. Weaving in your organization's stance on key issues that matter to your employees motivates them to stay.

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Weave wellbeing into the fabric of your employee experience

Financial, physical, social and emotional wellbeing are fundamental to your total rewards program. If you have financial health but not physical wellbeing, what good does that do you? If you have physical health but your social and emotional needs are not met, then how can you be productive? Wellbeing programs help employees get the most out of themselves, and communicating about wellbeing as part of your total rewards communications helps employees get the most out of your company-sponsored programs.

Financial and physical wellbeing opportunities are the obvious connections to total rewards programs and embedded communications. However, employers can also support diversity, equity and inclusion programs within the context of total rewards.

How can employees be at their best if they can't be themselves at work or aren't appreciated for who they are and the unique perspective they bring? Many organizations offer access to employee resource groups, support partners, third-party vendors and volunteer opportunities, and they're usually right at employees' fingertips.

But do employees know these resources exist? Do they know how to get involved? Can they connect these programs to the organization's underlying principle of recognizing the importance of diversity, equity and inclusion in employees' day-to-day work? Communicating these resources as fundamental values and positioning them within the total rewards program shows that the organization celebrates and is committed to equality and diversity.



Create a total rewards experience with personalization

Organizations commonly describe what they're trying to achieve in communicating about their total rewards programs:



Raise awareness and appreciation of their total rewards programs



Highlight lost opportunities



Expose the hidden value of their programs



Increase employee engagement

To achieve these goals effectively, personalized content and employee data need to be combined to create an interactive and immersive total rewards experience. The ideal experience should include:

- Branded and personalized content that reflects your employee experience
- Behavior-based nudges that drive employees to maximize use of their programs
- Supporting tools such as outbound single sign-on connections from one platform to the variety of third-party vendors that provide your benefits
- An embedded benefits survey that gathers insights on what employees value
- Video and alternative content that connects employees with content that suits their learning styles
- Robust analytics that track site usage so the experience can evolve and address what employees are looking for most often
- Distinct content for managers, as employees rely on them as a trusted resource who can provide guidance on how to best use the benefits your company offers

Combining relevant content and data into one solution gives you the best chance of meeting your communication objectives and changing employees' behaviors and perceptions. When done effectively, employees feel inspired to get the most out of their total rewards programs.



Before and after

Measuring ROI of your communication efforts doesn't have to be hard

Effectively communicating your total rewards programs delivers both tangible and intangible benefits.

Tangible ROI

Improved engagement and participation in your wellbeing programs

Below, we've outlined several ways personalized total rewards communication can affect employee wellbeing efforts. Measurable results can be identified by collecting data before and after the launch of your communication campaign.

Financial wellbeing

- Increased employee savings plan contributions
- Increased health savings account/flexible spending account/dependent care reimbursement account contributions
- Increased usage of financial planning resources

Emotional wellbeing

- Increased usage of health coaching sessions
- Increased utilization of employee assistance plans
- Decreased unplanned absences

Physical wellbeing

- Increased participation in wellbeing challenges
- Increased engagement in annual physical questionnaires and programs

Social wellbeing

- Increased participation in company-sponsored volunteer events
- Increased participation in diversity and inclusion networks

You can also add a diversity, equity and inclusion angle to your measurement efforts to understand whether your benefit and wellbeing programs are meeting the needs of your diverse workforce segments. For example, your goals may be to increase participation in your defined contribution plan among lower-paid or underrepresented employees versus overall participation metrics.

Cutting costs related to employee productivity, marketing, HR and employee retention are also priorities for organizations. Consider how a personalized total rewards experience can help you address these issues as well. For example:

Increased productivity

How long do employees spend searching for their personal information within your network of vendors? Let's assume your personalized total rewards communications saved each employee 10 minutes per week by providing readily available information accessed by a one-login experience. Assuming an annual salary of \$62,500 (\$30/hour), 10 minutes per week = \$260 in estimated savings per employee per year.



25%

reduction in calls to the service center as employees are better enabled to handle employee self-service

Reduced print distribution costs

Instead of printing and mailing information to employees' homes, give them access to a central digital communication platform. Cost savings from eliminating printed publications adds up. Let's assume \$10,000 to print 5,000 brochures and \$2.75 in postage per mailing. That equals \$23,750 in estimated annual savings (\$10,000 printing + \$13,750 mailing costs). In this scenario, a personalized total rewards experience replaces printing and mailing a benefits brochure to 5,000 employees and saves the organization \$23,750. Think of the savings accrued when you can make quick online changes instead of printing updated versions.

Reduced calls to your HR service center

By personalizing total rewards communications, organizations may realize as much as a 25% reduction in calls to the service center as employees are better enabled to handle employee self-service. In the following scenario, an HR service center that received 45,000 calls per year realized significantly fewer calls. Total call volume = 45,000 calls per year, with 93% first call resolution = 41,850 calls per year $25\% \times 41,850 \times \text{average help time of 6.25 minutes} = 1,089 \text{ hours of estimated customer service representative time saved per year.}$

Improved employee retention

The savings are significant if an improved total rewards experience convinces just 10 employees to stay when they might otherwise have considered looking for a new job. Let's assume \$1,768 internal recruiting costs + \$789 external recruiting costs $\times 10 \text{ hires} = \$25,570 \text{ on recruiting costs alone, not including savings from lost productivity.}$





Intangible ROI

Improving the employee experience yields benefits far beyond the financial. Spend some time thinking about how these changes will affect the overall organization.

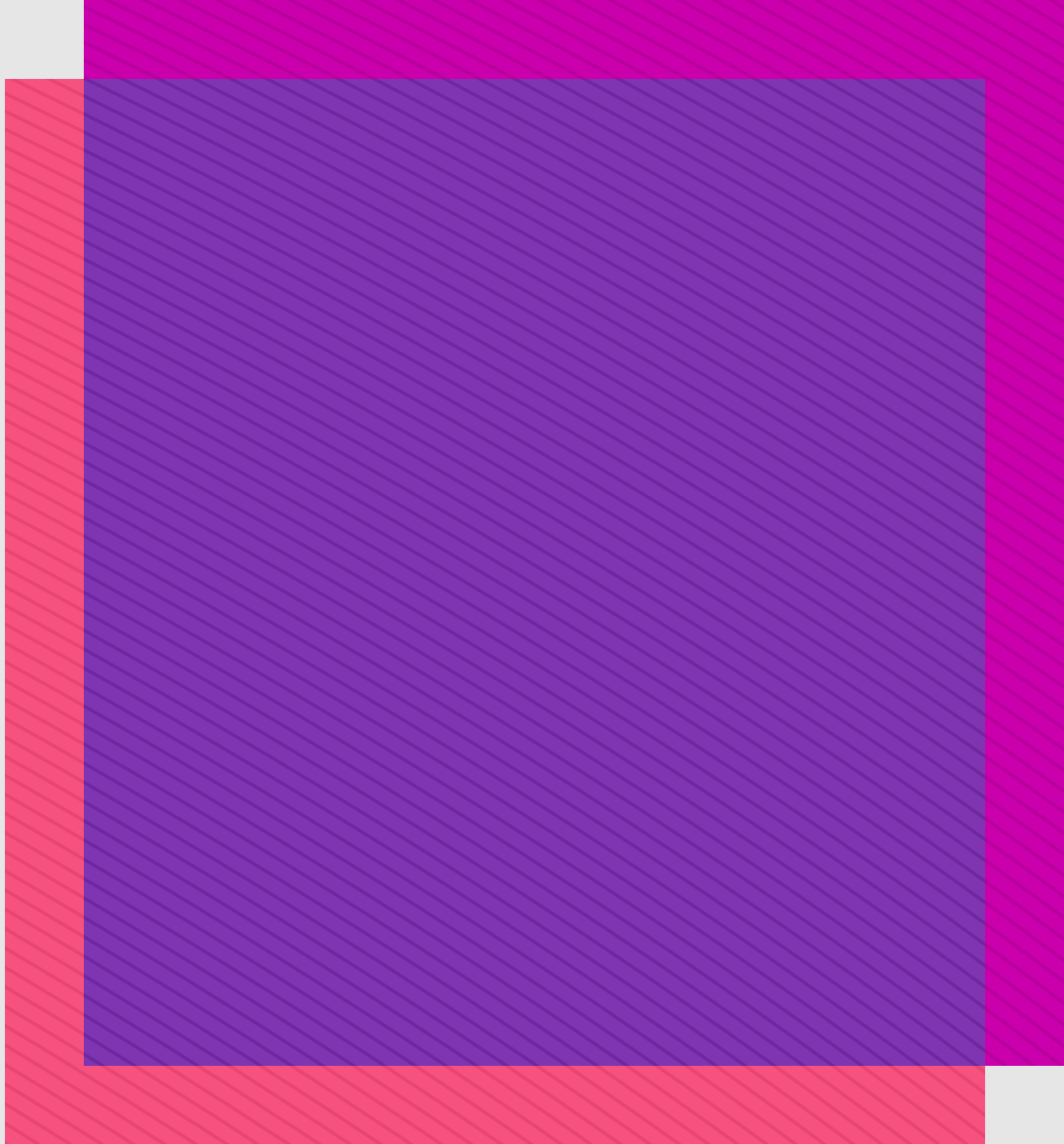
For example, you could:

- Develop a more engaged workforce
- Nurture greater employee loyalty
- Create an inclusive environment
- Become a more competitive employer
- Reduce attrition
- Lower absenteeism

While difficult to measure, becoming an employer of choice and developing a culture of wellbeing, diversity and inclusion are powerful strategies to attract, engage and retain the best talent now and into the future.

5 benefits of a digital total rewards experience

1. Provide an always current view of total rewards data, 24/7 on any device. Do away with the once-a-year annual statement. Data are now automatically loaded from disparate systems directly into the platform.
2. Highlight lost opportunities in a more engaging way and give employees links to make changes directly to their programs. Move from a statement of facts to delighting and inspiring employees with all the offerings you're providing to improve their lives.
3. Reduce costs by eliminating printing and postage expenses and internal costs for annual projects to pull this information together.
4. Create the desired employee experience. With the data utilized for a digital total rewards experience, you have the power to use ambient personalization to create an environment that employees enjoy — an overall experience that lets them know that the site is “for me, about me and there to help me.”
5. Leverage the platform for other uses. Engage managers, candidates and spouses/domestic partners in the total rewards experience.



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At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organizational resilience, motivate your workforce and maximize performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.



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