



**AACA WELCOMES
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Rewards to Relationships



Presented by:

MICHAEL GILMARTIN



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11/4/18

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C2**

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12/10/19

AACA Holiday Social

3/2/20

**World at Work Class
GR7**

**International
Remuneration - An
Overview of Global
Rewards**

Atlanta Area Compensation Association



Membership

Free Meetings

- Bi-Monthly Meetings
 - Lunch or Breakfast
- Annual Forum
- Holiday Social
- Happy Hour

Networking

- Face-to-Face
- Community Service
- Social Media: Linked In, Twitter
- Career Board

World at Work

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The Journey from Total Rewards to Total Relationships



Presented by:

MICHAEL GILMARTIN

Michael Gilmartin is a Senior Manager in Deloitte Consulting's Human Capital practice with over 19 years of HR and benefits experience, including extensive experience consulting with clients in the areas of employee benefits strategy and administration. His focus includes leading rewards engagements, such as rewards design, rewards optimization, and rewards delivery, with a focus on worker engagement and the employee experience. Michael is one of the leaders of Deloitte Consulting's Unified Wellbeing point-of-view and advisory services in the United States.

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The Journey from Total Rewards to Total Relationships

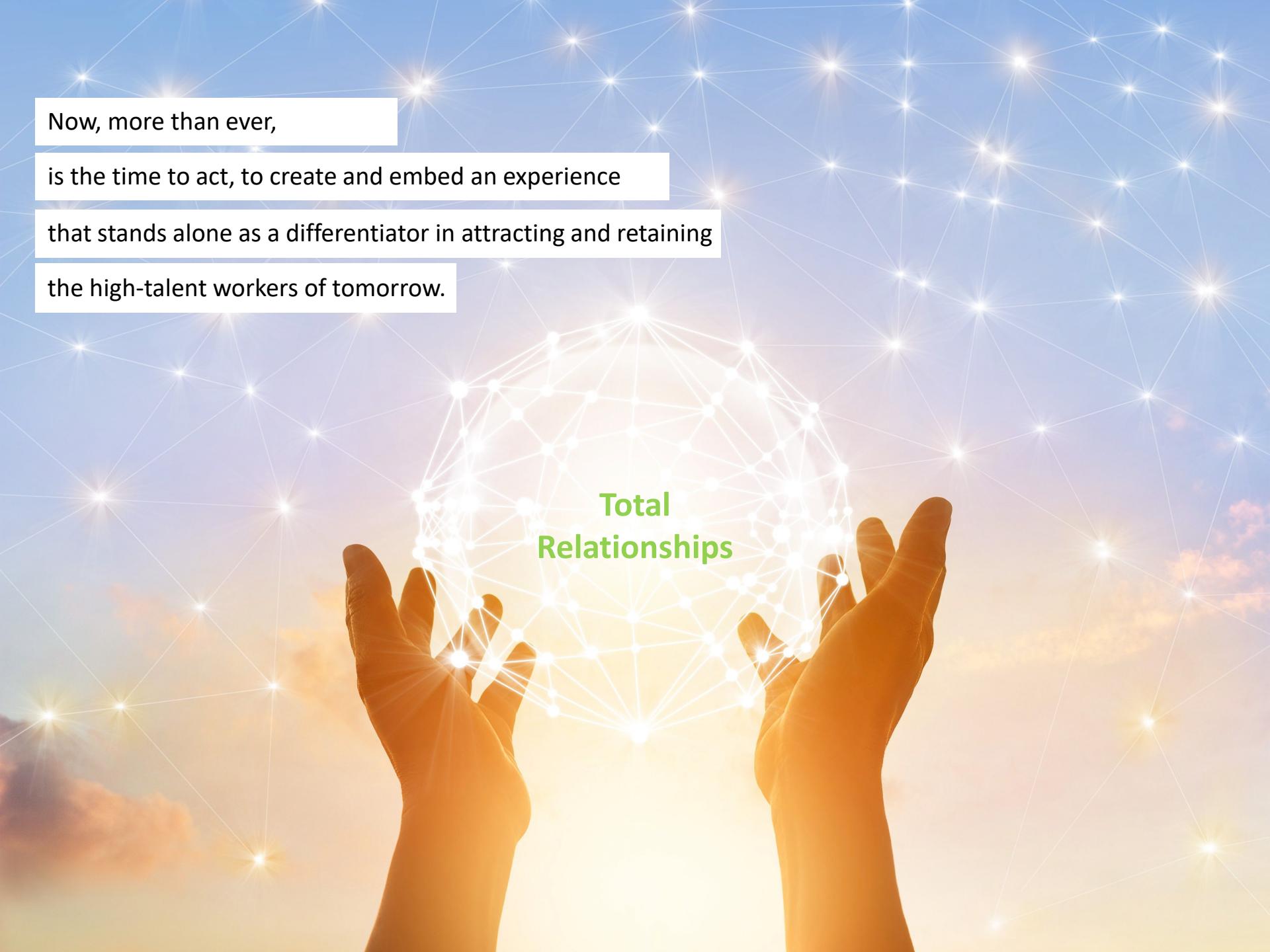
October 2019

Now, more than ever,

is the time to act, to create and embed an experience

that stands alone as a differentiator in attracting and retaining

the high-talent workers of tomorrow.

A photograph of two hands reaching upwards from the bottom of the frame against a background of a sunset or sunrise sky. A large, glowing white network sphere is positioned between the hands, representing a global connection or ecosystem. The hands are silhouetted against the bright background.

Total
Relationships

More than rewards



Increasingly, HR is a **strategic part of a business**. At the same time, the emphasis for compensation & benefits ("Total Rewards") has remained primarily on cost management and operational efficiency.

The expectations of today's workforce extend beyond a solid foundation of compensation and benefits and include recognition, career development, and a holistic approach to wellbeing. Moving beyond rewards, "Total Relationships" builds on the Total Rewards foundation, and offers workers more: **Personalized, flexible, customized experiences** differentiated by worker preferences—and their expectations of the organizations for which they work.

Creating a Total Relationship requires organizations to no longer design and deliver rewards as independent pieces in a one-size-fits-all approach. Rather, C-Suite leadership must now make a concerted effort to **drive a culture of rewards**, differentiated based on what workers are expecting from the organization for which they provide services.

Market disruptors

Then



Employers' association with their workforce was through full-time or part-time employment as determined by the employer.



Employers viewed the compensation they paid and the benefits they sponsored or provided as primarily rewards in recognition of service and effort.



The market reinforced employers' perspectives by coining "Total Rewards" as the accumulated value of the employer's compensation and benefits.



The market created geographic and industry comparisons (benchmarks) for employers to use as validation of their rewards programs. Employees were dependent upon information provided by their employer to shape their understanding of the competitive nature of their rewards.



Now

Workers select the relationship they want with an organization based on the perceived value and the tradeoffs of the alternatives including full-time, part-time, gig, contingent and other models.

Employers are reframing rewards from service and effort by shifting focus toward achievement and linking the value of their relationship with the worker to performance while moving towards 'rating-less' performance management systems.

Workers seek validation beyond traditional rewards and are equally focused on wellbeing, development, and recognition.

Workers are focused on whether rewards align with their personal wants/needs and create their own perspective of relative value through social media such as LinkedIn, Glassdoor, Fishbowl, Salary.com and other sites.

Market disruptors

Then

Now



Compensation was not a topic that was discussed between coworkers or in social settings.



Compensation information is freely shared between work colleagues, within social networks, and amongst friends and family.



The workforce was viewed by each employer as mostly homogeneous with a one-size-fits-all philosophy for benefits.



Workers are individuals and expect a more unique approach responsive to their individual needs and wants.



HR was organized around program competency with separate teams focusing on the individual components of rewards.



HR is breaking down the barriers and creating new organizational structures and using integrated digital experiences that align with the needs of their customers – workers and business leaders.



HR was largely responsible for the design of the programs included in the package of rewards provided to each employee.



The relationships with each worker can be influenced by HR, Finance, IT, and Procurement.

Rewards Delivery & Worker Experience Trends

Leveraging technology to promote benefits engagement and administrative efficiency.



Technology Efficiencies

Leveraging advanced technologies and innovations to reduce administrative burden and offer an engaging worker experience



Personalization and Optimization

Creating personalized, supportive interactions through portals, platforms and tools to simplify and optimize the rewards experience



Model Flexibility

Offering model flexibility through a continuum of services from software to full administration for a customized rewards delivery model



People-Centric

Encouraging behavioral change through relevant and timely information, optimized recommendations, messaging, and nudging



Data Driven

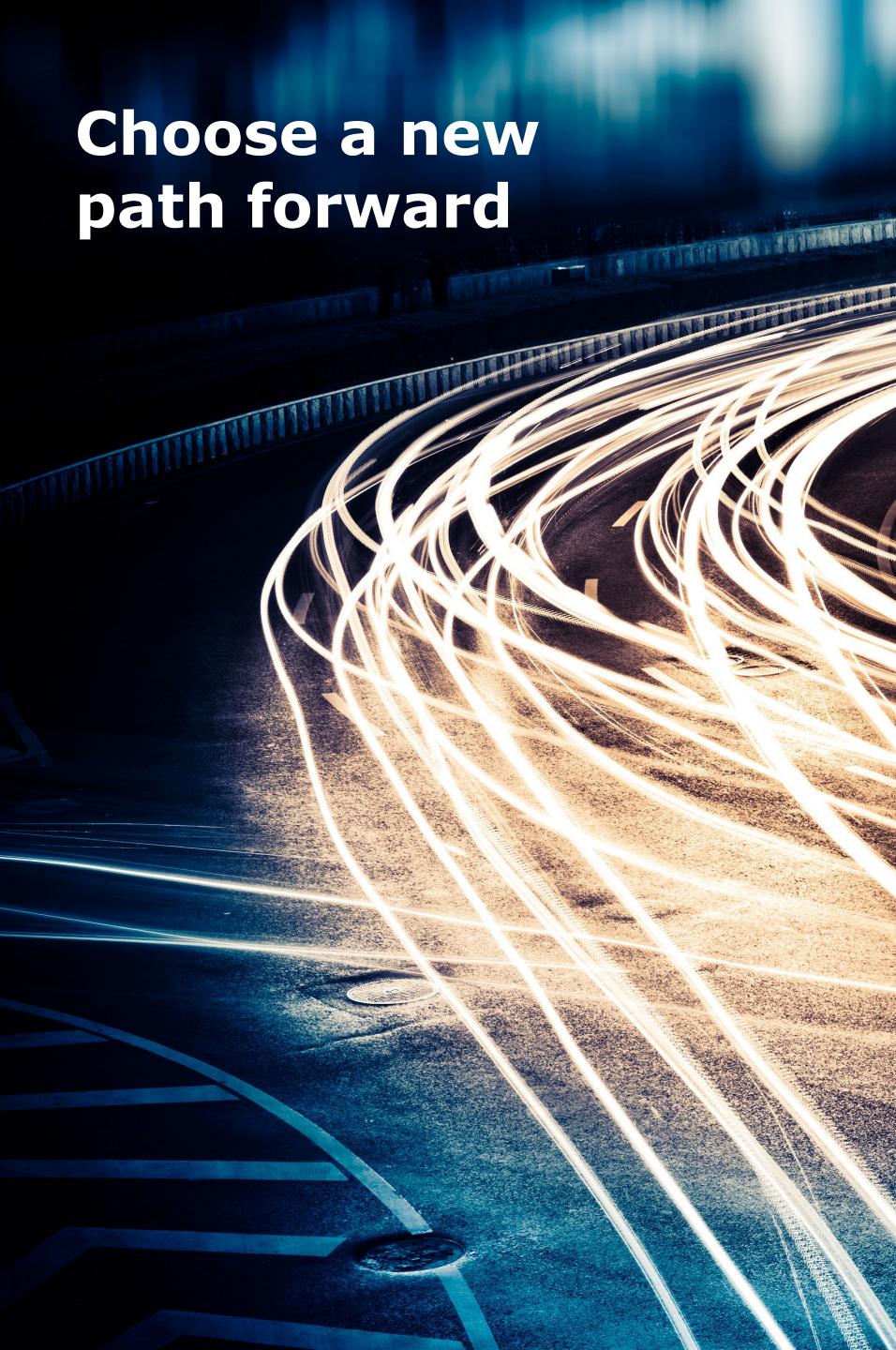
Using data and predictive analytics for enhanced program management, operational excellence, and employee appreciation



Compliance

Supporting compliance pertaining to legislative changes that directly impact benefit offerings, particularly as benefits become increasingly personalized

Choose a new path forward



With the rapidly evolving nature of the future of work, companies need to pivot to a more strategic view of rewards, including:

- The importance for employers to differentiate themselves as an irresistible place to work.
- The stewardship necessary to manage the balance sheet.
- The recognition that change is a journey.

Navigating the relationship transformation

“Total Rewards” is no longer the only way to look at the **financial connection between an employer and its workforce**. Relying on decades-old approaches to incentivize behaviors that drive business results and benchmarks to gauge workers’ needs and expectations only informs a strategy that misses the mark.

The preferences of today’s workforce **goes beyond traditional rewards**. Workers are looking for a relationship with an organization that offers a personalized, flexible, and customized experience—set on a firm foundation of compensation and benefits, but differentiated by other programs, including **recognition, career development, and a holistic approach to wellbeing**.

Creating relationships requires organizations to no longer design and deliver rewards as **independent pieces in a one-size-fits-all approach**. Rather, C-Suite leadership must now make a concerted effort to drive a culture of rewards, differentiated based on **worker preferences and expectations** of the organization for which they provide services.

With each day, the needs of workers continue to evolve, the pace of change quickens and the trends of today become the foundational expectations of tomorrow.



Total Relationships

Now, more than ever, is the time to act, to create and embed an experience that stands alone as a differentiator in attracting and retaining the high-talent workers of tomorrow.

The Journey to a Total Relationship Transformation

The move from Rewards to Relationships is a journey to discover, design, and ultimately deliver programs that reflect the evolving nature of the workforce and their preferences, to better incentivize behaviors.



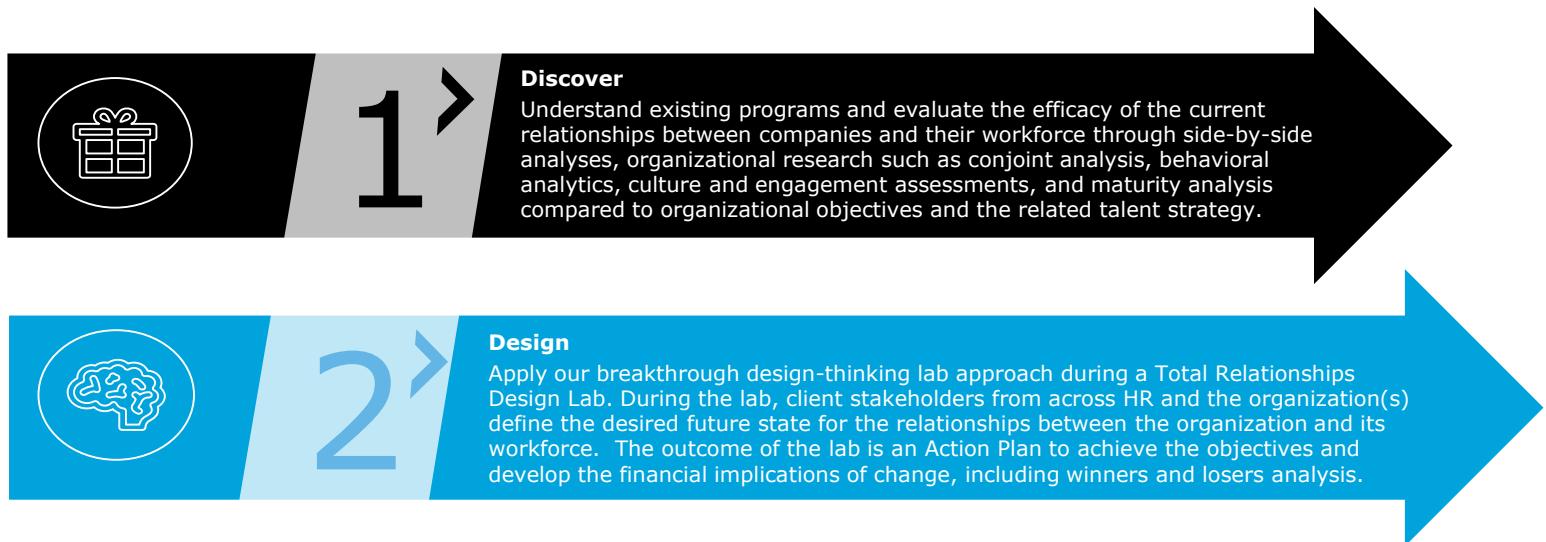
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Discover

Understand existing programs and evaluate the efficacy of the current relationships between companies and their workforce through side-by-side analyses, organizational research such as conjoint analysis, behavioral analytics, culture and engagement assessments, and maturity analysis compared to organizational objectives and the related talent strategy.

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Chart your own course to total relationships





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