

# Total Rewards: Key Concept for an Organization

**L**ine managers may not be empowered to design or alter their organization's reward strategies, but they are often asked by employees about benefits and rewards. "Total rewards" is a key concept that reflects the company's tangible benefits as well as intangible benefits. It merits managers' continuing attention, according to Doug Jensen, Tom McMullen, and Mel Stark (Hay Group), authors of the book, *The Manager's Guide to Rewards; What You Need to Know to Get the Best for — and from — Your Employees* (AMACOM, New York, 2007).

The authors recommend taking stock of total rewards and benefits, despite the difficulties in evaluating the value of benefits such as family days, career development, flexible

work hours, etc. They suggest that managers *first* compile a list of all the tangible and intangible benefits offered to employees. Retirement plans, health insurance, paid time off, tuition reimbursement, and certain other benefits can be more easily quantified. Career development, after-work activities, and work climate are among the benefits that challenge quantification. Employee surveys about benefits can yield useful information about the perceived value of benefits. Surveys generally reflect three benefits as those perceived most valuable: health care plans, retirement plans, and paid time off.

*Second*, assign a dollar benefit to each benefit. Ask the human resources (HR) department about the means to determine benefit values,

how to adjust benefits packages to be competitive with other organizations, and how benefits affect other rewards programs.

*Third*, consider the message the total rewards program is sending to employees. Ask employees about their perceptions. Do they believe the organization cares about the health and well-being of associates, about their children/family, about the community?

*Fourth*, your total rewards strategy can be modified according to your research findings. Asking employees about where they'd like to see the benefits budget invested can yield valuable information about the benefits that are most meaningful to them.

## Zero-gravity Thinkers

**G**ot anyone in your organization who's willing to challenge the "experts" or to say, in effect, that the emperor has no clothes? When effective, innovative thinking is stifled by "group think" or "expert think," it is time to hear from someone from down the hall, a branch office, or perhaps another

company, according to Cynthia Barton Rabe, author of the book, *The Innovation Killer: How What We Know Limits What We Can Imagine — and What Smart Companies Are Doing About It* (AMACOM, New York, 2006). Such "zero-gravity thinkers" are not burdened by issues that plague many groups. They share three characteris-

tics: psychological distance, enabling them to keep an open mind; renaissance tendencies — drawing on a wide range of interests and experiences; and related expertise — their strength in a relevant area can lead to "intersection" points where solutions may be found.