

THE REWARDS EXPERIENCE REDEFINED

WHAT DO EMPLOYEES WANT?⁸



79%

TRUST EMPLOYERS TO GIVE SOUND, INDEPENDENT FINANCIAL ADVICE



#1

INDIVIDUALS SAY HEALTH IS MOST IMPORTANT FOR A GOOD RETIREMENT



54%

WANT TEAM GOALS (NOT JUST INDIVIDUAL GOALS) TO PROMOTE COLLABORATION

With talent scarce, it is time for HR to take a leaf out of marketing's book. From promotions to healthcare, we examine the factors that address individual desires and that enable employees — and enterprises — to thrive.

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With technology advancing rapidly, many organizations will cast around to find a formula for success. Thriving organizations will be the ones that recognize and reward one mission-critical ingredient: people.

But with talent in short supply, people need to be coaxed, cultivated and inspired. Organizations that flourish will think carefully about how to create experiences that meet the full range of their employees' needs to drive growth — for both current employees and the new workers joining, who have different experiences.

The current outlook for HR is stormy. Tightening labor markets mean 97% of executives expect an increase in the competition for talent in 2019.⁹ Employees are restless; even 38% of satisfied employees still consider jumping ship because of a perceived lack of career opportunities.¹⁰

The good news is employers have the data to consider a variety of levers to sway retention, engagement and business performance. Organizations typically pore over compensation and benefits numbers. Yet it is

often the actions beyond salary — such as promotions, transfers and healthcare spend — that have a greater impact on business outcomes. Understanding which elements make a company competitive, and which are differentiators, can go a long way in delivering an employee value proposition that resonates.

BROADENING THE REWARDS HORIZON

The new deal will address each individual's desires — a package that enables them to feel healthy, supported and energized, personally as well as professionally.

Traditional contractual rewards (pay and benefits) remain the foundation for attracting talent in a crowded marketplace. But individual components (a program here or there) can become a greater detractor from the entire package. Differentiating on these elements alone is costly and difficult, and may not prove helpful either. Companies that broaden their focus beyond delivery of transactional rewards will reap the benefits of a more engaged and productive workforce.

⁸ Mercer, *Global Talent Trends Study*, 2019; and Mercer, *Healthy, Wealthy and Work-Wise: The New Imperatives for Financial Security*, 2018, available at www.mercer.ca/en/our-thinking/healthy-wealthy-and-work-wise.html

⁹ Mercer, *Global Talent Trends Study*, 2019.

¹⁰ Mercer, *Global Talent Trends Study*, 2019.



Once onboard, employees want rewards that enhance their experiences. On the one hand, exceptional employers will develop employer-curated career paths and guidance, and the more transparent and flexible these options, the better. Employers will be much more involved in employees' non-work lives, too. Thriving organizations will embrace a holistic notion of well-being, providing programs to bolster people's physical, financial, emotional and social health.

Finally, employers must offer emotional rewards. Motivated employees see their work as contributing to a larger purpose,

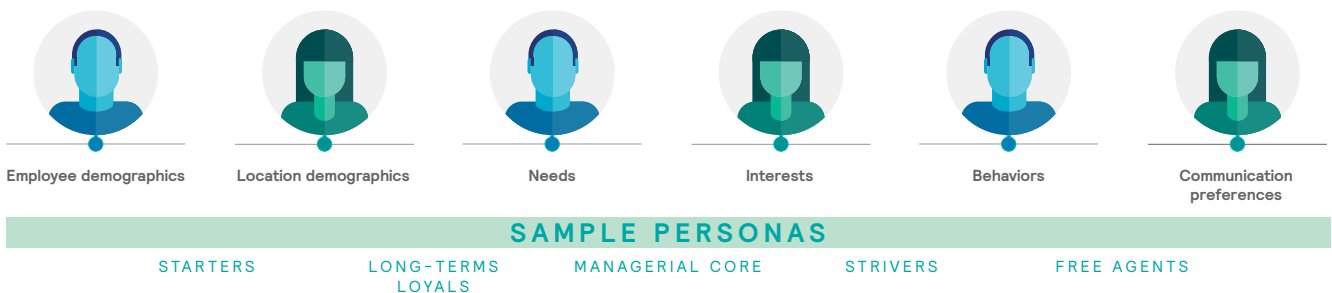
not just as a job. Employers who align business goals with societal goals, who design meaningful jobs or who foster links between employees and company innovators, will nurture a truly unique connection with the organization.

MAKE IT PERSONAL

Above all, the rewards package will need to be bespoke. In this respect, HR will take a leaf out of marketing's book. HR can create unique segments — or personas — by clustering attributes like age, income, life stage, family status, career level and certain preferences, and tailor reward experiences and content accordingly. Technology (from employee portals to digital career-pathing software) will enable individualized choice based on the needs each individual values, without adding undue administrative burden.

The shift in what employees' value and a broader view of well-being are changing the rewards deal. A future-focused HR will reimagine the rewards program and experience to build a workforce for tomorrow. ■

For more information, please see Mercer's recent paper, "Strengthening Your Employee Value Proposition: Unlock the Potential of Your Workforce With an Expanded View of Total Rewards."¹¹



¹¹ Mercer. "Strengthening Your Employee Value Proposition," 2018, <https://www.mercer.ca/en/our-thinking/career/unlock-workforce-potential-with-total-rewards-and-a-strong-evp.html>

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