

REWARDING YOUR PEOPLE THE RIGHT WAY



How to build the right reward strategy for your employees.

Employees respond to:

- CUSTOMISED - A flexible mix of competitive reward offering.
- EVOLUTIONARY - Distinct approaches.
- HOLISTIC - Integrated financial offerings with non-financial elements.
- STRATEGIC - Valid reward strategies.

If your organisation is suffering from any of the following, your Reward Strategy could be failing you.

High costs due to lack of ENGAGEMENT

"The most common reason for quitting is insufficient pay, followed by low job satisfaction"

Only 35% of organisations have a reward strategy, and 55% of these claim to measure the effectiveness of it.

CIPD Annual Survey Report 2006 - How Engaged are British Employees.

RETENTION issues

RECRUITMENT challenges

Weak PERFORMANCE outputs

Little or no MOTIVATION

Poor BOTTOM LINE performance

Why Reward Strategies Fail?

- **Lack of/Ineffective Communication** - Designing an effective reward strategy is not the only important factor. You must communicate it effectively through the organisation, ensuring your employees understand its impact on them and the organisation.
- **Reward Presumptions** - You need to KNOW what your employees' critical needs are for the reward strategy to be a success.
- **Lack of Buy-in and/or Involvement from Line Managers** - Line managers should be involved in both the design and implementation of the reward strategy in order for it to fulfil its true potential — Line managers are more aware of their team members critical reward needs. Their buy-in is essential to the process.
- **Taking a Tactical Approach** - Short-term, reactive, immediate fixes are not the answer to a successful reward strategy. Reward specialists and line managers should work together to look at longer-term reward plans.

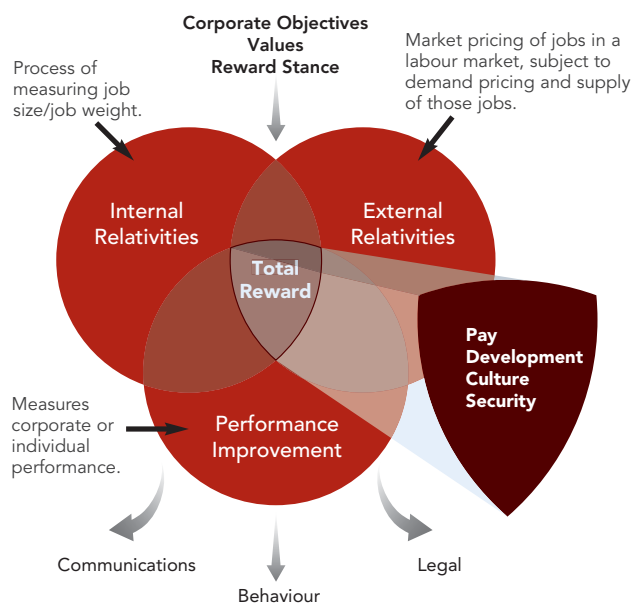
Do you know if your Reward Strategy is Performing?

Do you know...

- what a reward strategy should include and how to make it measurable?
- how to effectively implement and communicate a reward strategy?
- whether your current reward practices are valid in the present and future business context?
- what performance, values and behaviours are required from your employees for organisational success, and what 'rewards' will be valued by your employees to achieve this?
- what external factors could have an impact on a reward strategy and how to identify them in advance?

Pilat's Reward Model

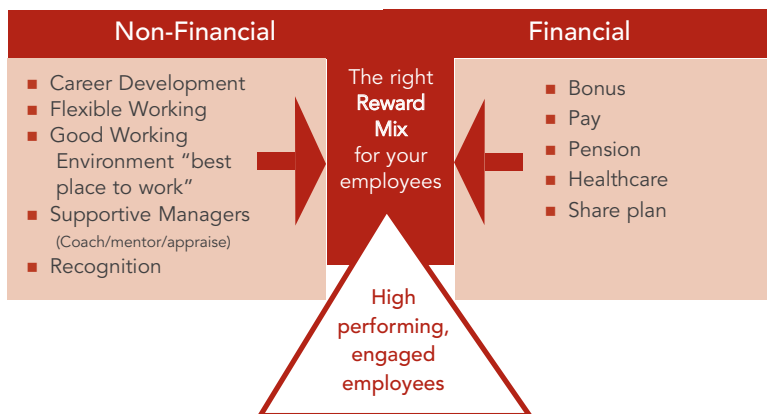
Pilat's approach to Reward Management includes three interconnecting elements as shown in the **Pilat Reward Model** below:





What are your options?

Whatever you consider to be a motivator, hard cash, non-financial benefits or a sense of duty, research shows that most successful organisations appear to support a **Reward Mix** - one that is measurable and linked to organisational values. But the real question is, how do you get to this stage? What mix suits your organisation, how do you measure its impact and how do you link it to your organisation's goals?



How We Can Help

- **Communication** - Advice on how to communicate and integrating the non-financial aspects of reward.
- **Effective Reward Strategy** - Assessing its effectiveness by surveying staff views and examining HR benchmarks and exit data interviews.
- **Managing Pay Costs** - Designing efficient, fair and equitable pay structures.
- **Strategic Reward Advice** - Supporting business strategy.
- **Strategic Reward Management** - Advice and development support.
- **Total Reward** - How to implement total reward approaches (see across for our total reward offerings).

For a **complimentary consultation** to discuss your strategy with our reward specialists, please contact us 020 8343 3433 or email shaz@pilat.com, subject header line to read "Reward Strategy Enquiry".

Benefits of Our Approach

- Improved employee engagement levels. Our engagement calculator will demonstrate what you could be saving by a mere 1% improvement in staff engagement levels.
- Decrease in staff turnover.
- More effective and efficient recruitment of employees into the right roles, offering the appropriate rewards from the offset.
- Increase in employee motivation, resulting in increased performance output.
- Immediate improvements to the organisation's bottom line.

At Pilat, we believe that a reward strategy needs to answer a number of questions, with some of the following components:

- **Business Drivers** - Who do you need, what do you need people to do and how do you need them to do it?
- **Market Assessments** - What do they want and what do competitors do?
- **Regulator & Governance Environment** - What is possible and what is acceptable?
- **Remuneration Policy** - How sophisticated do you want it to be?

Pilat's 'Total Reward' Approach

Pilat offers the following Total Reward solutions:

- Bonus Scheme Design
- Individual Pay Progression
- Job Measurement
- Non-Financial Rewards
- Pay Progression
- Pay Strategy Advice
- Pay/Grading Structure Design
- Performance Improvement

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