



Total Rewards Model

A Framework
for Strategies
to Attract,
Motivate and
Retain Employees

www.worldatwork.org

Dedicated to Knowledge Leadership in Total Rewards

During the past several years, the concept of total rewards has advanced considerably. Practitioners have experienced the power of leveraging multiple factors to attract, motivate and retain talent; high-performing companies realize that their proprietary total rewards programs allow them to excel in new ways.

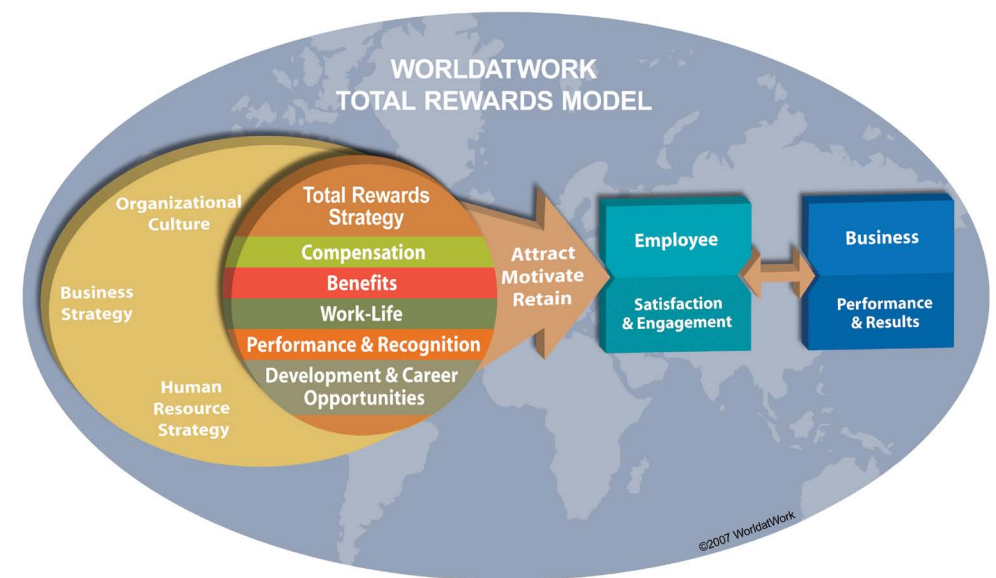
At the same time, human resource professionals, consulting firms, service providers and academic institutions have made significant contributions to our understanding of total rewards.

The WorldatWork Total Rewards Model

- Reflects the maturity and power of the concept
- Depicts five elements that, collectively, comprise total rewards
- Provides the organizational and environmental context in which total rewards strategies and programs exist
- Articulates the desired outcome of attracting, motivating and retaining satisfied and engaged employees who create business performance and results
- Demonstrates the dynamic relationship between employees and employers—the employee's contribution of time, talent and efforts for desired business results.

As the association of the profession, WorldatWork presents this model to:

- Represent the profession's conceptual framework for total rewards
- Serve as a tool for practitioners to use with management in their own organizations
- Depict the official WorldatWork model of total rewards
- Serve as a foundation and guidepost for intellectual capital development in the profession
- Become a tool for academics, consultants and others to support their intellectual capital endeavors.



Total Rewards Strategy = Leveraging Five Elements to Attract, Motivate, Retain

- Compensation
- Benefits
- Work-Life
- Performance and Recognition
- Development and Career Opportunities

The Exchange Relationship

Employer provides:

Total rewards valued by employees

Employee provides:

Time, talent, efforts and results

Context of Total Rewards

- Business strategy
- Organizational culture
- HR strategy
- External influences (competition, industry, regulation, etc.)
- Geography (location of workforce)

(See page 5 for model definitions.)

The Elements of Total Rewards

There are five elements of total rewards, each of which includes programs, practices, elements and dimensions that collectively define an organization's strategy to attract, motivate and retain employees. These elements are:

Compensation	The elements represent the “tool kit” from which an organization chooses to offer and align a value proposition that creates value for both the organization and the employee.
Benefits	
Work-Life	
Performance and Recognition	
Development and Career Opportunities	

An effective total rewards strategy results in satisfied, engaged and productive employees, who in turn create desired business performance and results.

The elements, as WorldatWork has defined them, are not mutually exclusive and are not intended to represent the ways that companies organize or deploy programs and elements within them. For instance, performance management may be a compensation-function-driven activity or may be decentralized in line organizations; it can be managed formally or informally. Likewise, recognition could be considered an element of compensation, benefits and work-life.

Context for Total Rewards

The WorldatWork model recognizes that total rewards operates in the context of overall business strategy, organizational culture and HR strategy. Indeed, a company's exceptional culture or external brand value may be considered a critical component of the total employment value proposition. The backdrop of the WorldatWork model is a globe, representing the external influences on a business, such as:

- Legal/regulatory issues
- Cultural influences and practices
- Competition

Total Rewards Definitions

Total Rewards Component	Definitions
Compensation	Pay provided by an employer to an employee for services rendered (i.e. time, effort and skill). Includes both fixed and variable pay tied to levels of performance.
Benefits	Programs an employer uses to supplement the cash compensation that employees receive. These health, income protection, savings and retirement programs provide security for employees and their families.
Work-Life	A specific set of organizational practices, policies and programs, plus a philosophy, that actively supports efforts to help employees achieve success at both work and home.
Performance & Recognition	<p>Performance: The alignment of organizational, team and individual efforts toward the achievement of business goals and organizational success. It includes establishing expectations, skill demonstration, assessment, feedback and continuous improvement.</p> <p>Recognition: Acknowledges or gives special attention to employee actions, efforts, behavior or performance. It meets an intrinsic psychological need for appreciation of one's efforts and can support business strategy by reinforcing certain behaviors (e.g., extraordinary accomplishments) that contribute to organizational success. Whether formal or informal, recognition programs acknowledge employee contributions immediately after the fact, usually without predetermined goals or performance levels that the employee is expected to achieve. Awards can be cash or noncash (e.g., verbal recognition, trophies, certificates, plaques, dinners, tickets, etc.)</p>
Development and Career Opportunities	<p>Development: A set of learning experiences designed to enhance employees' applied skills and competencies. Development engages employees to perform better and engages leaders to advance their organizations' people strategies.</p> <p>Career Opportunities: Involve the plan for employees to advance their career goals. May include advancement into a more responsible position in an organization. The company supports career opportunities internally so that talented employees are deployed in positions that enable them to deliver their greatest value to the organization.</p> <p><i>For example programs and more information, go to www.worldatwork.org/totalrewards</i></p>

Your Total Rewards Inventory

To get a comprehensive view of your organization's value proposition, simply check off the rewards your organization currently provides.

Compensation	Benefits	Work-Life	Performance & Recognition	Development & Career Opportunities	
<p>Base Wages</p> <ul style="list-style-type: none"> <input type="checkbox"/> Salary Pay <input type="checkbox"/> Hourly Pay <input type="checkbox"/> Piece Rate Pay <p>Premium Pay</p> <ul style="list-style-type: none"> <input type="checkbox"/> Shift Differential Pay <input type="checkbox"/> Weekend/Holiday Pay <input type="checkbox"/> On-call Pay <input type="checkbox"/> Call-In Pay <input type="checkbox"/> Hazard Pay <input type="checkbox"/> Bi-Lingual Pay <input type="checkbox"/> Skill-Based Pay <p>Variable Pay</p> <ul style="list-style-type: none"> <input type="checkbox"/> Commissions <input type="checkbox"/> Team-Based Pay <input type="checkbox"/> Bonus Programs <ul style="list-style-type: none"> <input type="checkbox"/> Referral Bonus <input type="checkbox"/> Hiring Bonus <input type="checkbox"/> Retention Bonus <input type="checkbox"/> Project Completion Bonus <input type="checkbox"/> Incentive Pay <ul style="list-style-type: none"> Short-term: <ul style="list-style-type: none"> <input type="checkbox"/> Profit Sharing <input type="checkbox"/> Individual Performance Based Incentives <input type="checkbox"/> Performance-Sharing Incentives Long-term: <ul style="list-style-type: none"> <input type="checkbox"/> Restricted Stock <input type="checkbox"/> Performance Shares <input type="checkbox"/> Performance Units <input type="checkbox"/> Stock Options/Grants 	<p>Legally Required/Mandated</p> <ul style="list-style-type: none"> <input type="checkbox"/> Unemployment Insurance <input type="checkbox"/> Worker's Compensation Insurance <input type="checkbox"/> Social Security Insurance <input type="checkbox"/> Medicare <input type="checkbox"/> State Disability Insurance (if applicable) <p>Health & Welfare</p> <ul style="list-style-type: none"> <input type="checkbox"/> Medical Plan <input type="checkbox"/> Dental Plan <input type="checkbox"/> Vision Plan <input type="checkbox"/> Prescription Drug Plan <input type="checkbox"/> Flexible Spending Accounts (FSAs) <input type="checkbox"/> Health Reimbursement Accounts (HRAs) <input type="checkbox"/> Health Savings Accounts (HSAs) <input type="checkbox"/> Mental Health Plan <input type="checkbox"/> Life Insurance <input type="checkbox"/> Spouse/Dependent Life Insurance <input type="checkbox"/> AD&D Insurance <input type="checkbox"/> Short-Term/Long-Term Disability Insurance <p>Retirement</p> <ul style="list-style-type: none"> <input type="checkbox"/> Defined Benefit Plan <input type="checkbox"/> Defined Contribution Plan <input type="checkbox"/> Profit Sharing Plan <input type="checkbox"/> Hybrid Plan <p>Pay for Time Not Worked</p> <ul style="list-style-type: none"> <input type="checkbox"/> Vacation <input type="checkbox"/> Holiday <input type="checkbox"/> Sick Leave <input type="checkbox"/> Bereavement Leave <input type="checkbox"/> Leaves of Absence (Military, Personal Medical, Family Medical) 	<p>Workplace Flexibility/Alternative Work Arrangements</p> <ul style="list-style-type: none"> <input type="checkbox"/> Flex-Time <input type="checkbox"/> Telecommuting <input type="checkbox"/> Alternative Work Sites <input type="checkbox"/> Compressed Workweek <input type="checkbox"/> Job Sharing <input type="checkbox"/> Part-time Employment <input type="checkbox"/> Seasonal Schedules <p>Paid and Unpaid Time Off</p> <ul style="list-style-type: none"> <input type="checkbox"/> Maternity/Paternity Leave <input type="checkbox"/> Adoption Leave <input type="checkbox"/> Sabbaticals <p>Health and Wellness</p> <ul style="list-style-type: none"> <input type="checkbox"/> Employee Assistance Programs <input type="checkbox"/> On-site Fitness Facilities <input type="checkbox"/> Discounted Fitness Club Rates <input type="checkbox"/> Weight Management Programs <input type="checkbox"/> Smoking Cessation Assistance <input type="checkbox"/> On-Site Massages <input type="checkbox"/> Stress Management Programs <input type="checkbox"/> Voluntary Immunization Clinics <input type="checkbox"/> Health Screenings <input type="checkbox"/> Nutritional Counseling <input type="checkbox"/> On-Site Nurse <input type="checkbox"/> Business Travel Health Services <input type="checkbox"/> Disability Management <input type="checkbox"/> Return to Work Programs <input type="checkbox"/> Reproductive Health/Pregnancy Programs <input type="checkbox"/> 24-Hour Nurse Line <input type="checkbox"/> On-Site Work-Life Seminars (Stress-Reduction, Parenting, etc.) <input type="checkbox"/> Health Advocate <p>Community Involvement</p> <ul style="list-style-type: none"> <input type="checkbox"/> Community Volunteer Programs <input type="checkbox"/> Matching Gift Programs <input type="checkbox"/> Shared Leave Programs <input type="checkbox"/> Disaster Relief Funds <input type="checkbox"/> Sponsorships/Grants <input type="checkbox"/> In-Kind Donations <p>Caring for Dependents</p> <ul style="list-style-type: none"> <input type="checkbox"/> Dependent Care Reimbursement Accounts 	<ul style="list-style-type: none"> <input type="checkbox"/> Dependent Care Travel-Related Expense Reimbursements <input type="checkbox"/> Dependent Care Referral and Resource Services <input type="checkbox"/> Dependent Care Discount Programs or Vouchers <input type="checkbox"/> Emergency Dependent Care Services <input type="checkbox"/> Childcare Subsidies <input type="checkbox"/> On-site Caregiver Support Groups <input type="checkbox"/> On-Site Dependent Care <input type="checkbox"/> Adoption Assistance Services <input type="checkbox"/> After-School Care Programs <input type="checkbox"/> College/Scholarship Information <input type="checkbox"/> Scholarships <input type="checkbox"/> Privacy Rooms <input type="checkbox"/> Summer Camps & Activities <input type="checkbox"/> Special Needs Childcare <input type="checkbox"/> Disabled Adult Care <input type="checkbox"/> Geriatric Counseling <input type="checkbox"/> In-home Assessments for Eldercare <p>Financial Support</p> <ul style="list-style-type: none"> <input type="checkbox"/> Financial Planning Services and Education <input type="checkbox"/> Adoption Reimbursement <input type="checkbox"/> Transit Subsidies <input type="checkbox"/> 529 Plans <input type="checkbox"/> Savings Bonds <p>Voluntary Benefits</p> <ul style="list-style-type: none"> <input type="checkbox"/> Long Term Care <input type="checkbox"/> Auto/Home Insurance <input type="checkbox"/> Pet Insurance <input type="checkbox"/> Legal Insurance <input type="checkbox"/> Identity Theft Insurance <input type="checkbox"/> Employee Discounts <input type="checkbox"/> Concierge Services <input type="checkbox"/> Parking <p>Culture Change Initiatives</p> <ul style="list-style-type: none"> <input type="checkbox"/> Work Redesign <input type="checkbox"/> Team Effectiveness <input type="checkbox"/> Diversity/Inclusion Initiatives <input type="checkbox"/> Women's Advancement Initiatives <input type="checkbox"/> Work Environment Initiatives <input type="checkbox"/> Multigenerational Initiatives 	<p>Performance</p> <ul style="list-style-type: none"> <input type="checkbox"/> 1:1 Meetings <input type="checkbox"/> Performance Reviews <input type="checkbox"/> Project Completion/Team Evaluations <input type="checkbox"/> Performance Planning/Goal Setting Sessions <p>Recognition</p> <ul style="list-style-type: none"> <input type="checkbox"/> Service Awards <input type="checkbox"/> Retirement Awards <input type="checkbox"/> Peer Recognition Awards <input type="checkbox"/> Spot Awards <input type="checkbox"/> Managerial Recognition Programs <input type="checkbox"/> Organization-wide Recognition Programs <input type="checkbox"/> Exceeding Performance Awards <input type="checkbox"/> Employee of the Month/Year Awards <input type="checkbox"/> Appreciation Luncheons, Outings, Formal Events <input type="checkbox"/> Goal-Specific Awards (Quality, Efficiency, Cost-Savings, Productivity, Safety) <input type="checkbox"/> Employee Suggestion Programs 	<p>Learning Opportunities</p> <ul style="list-style-type: none"> <input type="checkbox"/> Tuition Reimbursement <input type="checkbox"/> Tuition Discounts <input type="checkbox"/> Corporate Universities <input type="checkbox"/> New Technology Training <input type="checkbox"/> On-the-Job Learning <input type="checkbox"/> Attendance at Outside Seminars and Conferences <input type="checkbox"/> Access to Virtual Learning, Podcasts, Webinars <input type="checkbox"/> Self-Development Tools <p>Coaching/Mentoring</p> <ul style="list-style-type: none"> <input type="checkbox"/> Leadership Training <input type="checkbox"/> Exposure to Resident Experts <input type="checkbox"/> Access to Information Networks <input type="checkbox"/> Formal or Informal Mentoring Programs <p>Advancement Opportunities</p> <ul style="list-style-type: none"> <input type="checkbox"/> Internships <input type="checkbox"/> Apprenticeships <input type="checkbox"/> Overseas Assignments <input type="checkbox"/> Internal Job Postings <input type="checkbox"/> Job Advancement/Promotion <input type="checkbox"/> Career Ladders and Pathways <input type="checkbox"/> Succession Planning <input type="checkbox"/> On/Off Ramps through Career Lifecycle <input type="checkbox"/> Job Rotations

Worldwide Headquarters
WorldatWork
14040 N. Northsight Blvd.
Scottsdale, AZ 85260

Washington, D.C. Office
& Conference Center
1100 13th Street, NW
Suite 800
Washington, D.C. 20005

Phone: 877-951-9191
Fax: 866-816-2962

About WorldatWork®

The Total Rewards Association

WorldatWork (www.worldatwork.org) is a not-for-profit organization providing education, conferences and research focused on global human resources issues including compensation, benefits, work-life and integrated total rewards to attract, motivate and retain a talented workforce. Founded in 1955, WorldatWork has nearly 30,000 members in more than 100 countries. Its affiliate organization, WorldatWork Society of Certified Professionals®, is the certifying body for the prestigious Certified Compensation Professional® (CCP®), Certified Benefits Professional® (CBP), Global Remuneration Professional (GRP®), Work-Life Certified Professional™ (WLCP®), Certified Sales Compensation Professional™ (CSCP™), and Certified Executive Compensation Professional™ (CECP™). WorldatWork has offices in Scottsdale, Arizona, and Washington, D.C.

The WorldatWork group of registered marks includes: Alliance for Work-Life Progress® or AWLP®, workspan®, WorldatWork® Journal, and Compensation Conundrum®.

www.worldatwork.org

©2011 WorldatWork. Not to be reproduced in any form without express written permission from WorldatWork.

W57963142 10/2011