

July 15, 2021

# Employee Experience Through Total Rewards



+



# About Hays Companies



ranked in  
**Top 5**  
insurance  
brokers\*

*\*Business Insurance Magazine*

**\$2.613B**  
annual revenue

**300+**  
locations

**11,000+**  
teammates

Hays Companies was founded in 1994. We operate out of Denver, Colorado. Hays became part of the Brown & Brown Team in Nov. 2018.

We are a full-service consulting firm, specializing in Total Rewards, Compensation, Benefits, and Retirement Consulting as well as Risk Management and Property and Casualty.



# Today's Objective



There is a real and volatile cost associated with attracting, engaging and retaining talent within an organization - we want to highlight some of these risks and discuss how you can shift your strategy to mitigate them

Today, we look forward to having a conversation about the importance of developing, utilizing and communicating a relevant Total Rewards package to drive:

- Enhanced Employee Engagement
- Strong Employee Experience
- Stronger Company Performance
- Talent Retention
- Effective Use of Company Funds

# Question 1:

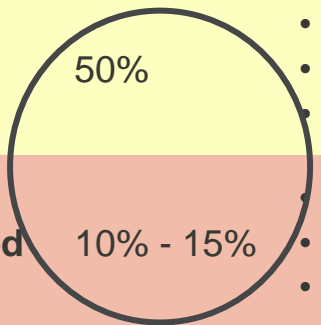
Approximately what percentage of employees are disengaged at work?

- A. 10%
- B. 40%
- C. 60%
- D. 100%



# Employee Engagement

<b>Actively Engaged</b>	10% - 15%	<ul style="list-style-type: none"> <li>• A Players</li> <li>• Positive</li> <li>• Work Hard</li> <li>• Supporters</li> </ul>	<ul style="list-style-type: none"> <li>• Infuse Passion</li> <li>• Connection</li> <li>• Motivation</li> <li>• Performance Backbone</li> </ul>
<b>Engaged</b>	25%		
<b>Somewhat Disengaged</b>	50%	<ul style="list-style-type: none"> <li>• Clock Punchers</li> <li>• Distractors</li> <li>• Disruptive</li> </ul>	<ul style="list-style-type: none"> <li>• ~70% Productive</li> </ul>
<b>Actively Disengaged</b>	10% - 15%	<ul style="list-style-type: none"> <li>• Active Doubters</li> <li>• Speak ill</li> <li>• Toxic</li> </ul>	<ul style="list-style-type: none"> <li>• ~50% Productive</li> <li>• ½ Trillion \$ Loss *</li> </ul>



60%?!

- Listen: engagement surveys, focus groups
- Seek to understand
- Be in action!
- Invest in hiring the 'right' talent
- Don't hold back on addressing Actively Disengaged employees
- If you don't, you will drive out your A Players

## Question 2:

What is the low estimate for the cost of turnover for a single employee?

- A. 1 month of salary
- B. 6 months of salary
- C. 1 year of salary
- D. 5 years of salary



# Turnover

- **Cost of Hiring**
  - **Cost of On-Boarding**
  - **Lost Productivity**
  - **Lost Engagement**
  - **Lost Institutional Knowledge**
  - **Errors**
  - **Training**
  - **Cultural Impact**
- Turnover costs range from 6 months to 2 years of salary, depending upon position level
  - \$40,000 position | in turnover costs (6 months) x 10 employees in one year = **\$200,000**
  - Not all turnover is bad...but, it is expensive
  - Investing in hiring the 'right' talent & retaining the 'right' talent, can quickly pay for itself

- Track, report and monitor turnover – conduct stay interviews and exit interviews
- Don't assume – create a productive feedback environment – be prepared to take action
- More times than not, it's not a problem with Compensation or Benefits; if we get them right

# Why Do Employees Leave?



## **Bad Bosses**

50% leave to “get away from their manager”



## **Too Much Workload**



## **No Recognition**

Leading back to Reason #1!

Compensation and Benefits are critical components, however, they were not in the Top 10 of this study. This underscores the importance of paying attention to other less talked about pieces of the Total Rewards package such as Culture, Management Training, Communication & Recognition programs



# The Cost of Turnover

# What is Total Rewards?



- To us, Total Rewards encompasses all that you offer your employees in exchange for their skillset and contributions to your organization
- The Total Rewards you offer employees goes beyond the foundational pieces of compensation and employee benefits. It includes differentiators like culture and your approach to change management. Whether or not you focus on it, every company offers Total Rewards to their employees

# Total Rewards Offerings



## Compensation

Base pay structures, Positions/Job Architecture, FLSA, Merit Cycle, Sales incentives, Equal pay analysis



## Employee Benefits

EB Consulting, Time off policies, Retirement, Sabbaticals, Health and Wellness Strategy



## Processes

Job descriptions, System integrations, Employee Factors, Performance Management



## Culture

Employee Focus Groups, Surveys, Leadership interviews



## Change Management

Communication (FAQs Manager talking points, presentation tools), Statements, Speaking/Training

Talent is your **biggest expense** and, therefore, there is **inherent risk** in that.

In order to mitigate risk, it's helpful to look at the whole picture and make sure your Total Rewards offerings truly serve you and your employees to enhance your employee's life cycle and limit unhealthy turnover

# Approaching Total Rewards

---

## 1. DIAGNOSTICS

Understand Vision, Values, Culture, Strategy (Co. & HR) & desired offerings through leadership, management and employees

## 2. RECOMMEND

Combine what you learn and what you know to deliver a long-term roadmap of offerings that help attract, engage and retain the right talent for your organization

## 3. EXECUTE

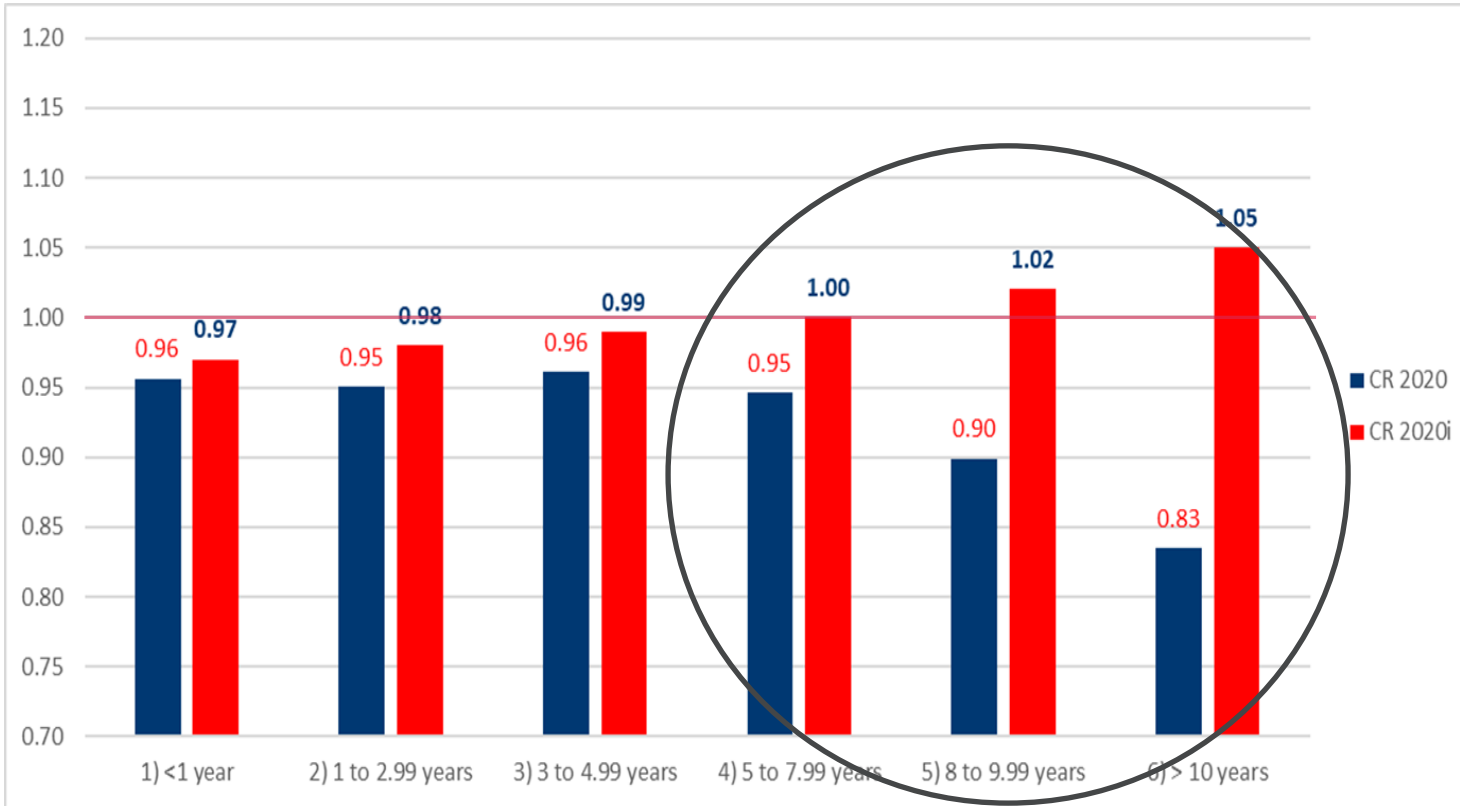
Execute your roadmap through various projects and share the results in order to determine a plan of adoption. Create your Total Rewards Philosophy/Statement

## 4. IMPLEMENT

Don't underestimate the time and attention it takes to ensure strong communication, implementation, adoption and sustainability of your offerings

---

# Experience



**This is your institutional knowledge & likely, key supporters**

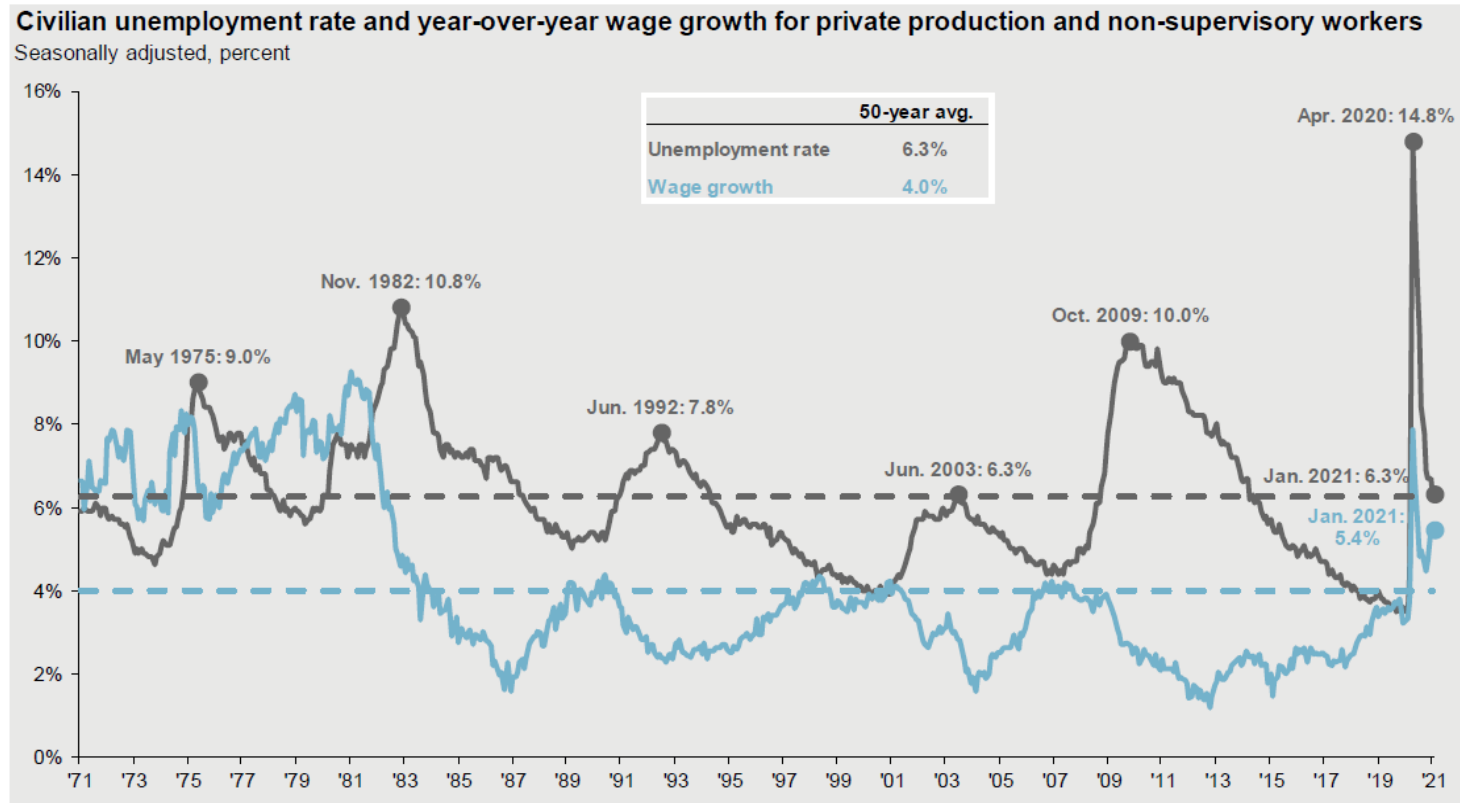
- Use your compensation structure (or create a compensation structure) to truly know your employees
- Most companies lose sight of market competitiveness for long-term employees
- Ensure performance management is part of this equation

# Employee Factors

- Utilize your base pay compensation structure to it's fullest
- Snapshot of current talent
- Identifies inequities
- Encourages productive conversations
- This doesn't have to be complicated
- Officially knowing your Employees is critical
- A-Players don't want to be treated like mediocre employees
- Acknowledging performance and contributions raises the bar for everyone
- Sets the standard for the best engagement

		PERFORMANCE			
		Low	Medium	High	
POTENTIAL	High	<b>1</b> <b>0%</b> <b>20%</b> Misaligned Talent	<b>37</b> <b>11%</b> <b>46%</b> Ready for new Opportunities	<b>101</b> <b>29%</b> <b>34%</b> Top Talent	# % Ttl RP
	Medium	<b>7</b> <b>2%</b> <b>51%</b> Still Learning	<b>81</b> <b>23%</b> <b>43%</b> Core Talent	<b>35</b> <b>10%</b> <b>42%</b> Emerging Leaders	# % Ttl RP
	Low	<b>23</b> <b>7%</b> <b>49%</b> Underperforming	<b>47</b> <b>14%</b> <b>38%</b> Good Performers	<b>14</b> <b>4%</b> <b>53%</b> Outstanding Performers	# % Ttl RP

# Levers



Source: BLS, FactSet, J.P. Morgan Asset Management.  
Guide to the Markets – U.S. Data are as of February 28, 2021.

- Base Pay is not your only lever
- Consider your Total Rewards offerings before overreacting
- 401(k)
- PTO
- Time Off
- Sabbaticals
- Bonuses
- Freezes
- Communication!

# Hot Topics



- **Work from Home**
- **Purposeful Work**
- **Connection/Relationships**
- **Work-Life Integration**
- **Environmental Consciousness**
- **Mental Health Wellness**
- **Financial Wellness**
- **Diversity & Inclusion**
- **Min Wage/Living Wage**
- **Housing Market**
- **Rental Market**
- **Traffic/Commuting**
- **Equal Pay for Equal Work Acts**
- **Covid & the Vaccine**

Use your vendors and partners to tailor offerings to your uniqueness.

What do your employees want and need that make them want to stay, and be engaged?



# Evolution

## What has Covid-19 Taught Us?

- Great capacity to give to others
- I can do without materials things
- Relationships are key
- Health is critical
- Empathy
- Communication is essential
- A hug feels akin to magic
- Urgency strengthens purpose
- Purposeful Life = Fulfilling Life
- Embrace Change vs. Fighting It

How you treat employees during a crisis, is how they'll treat you when it's over

***“When you're finished changing, you're finished.”  
- Ben Franklin***



**How do you stay current &  
relevant with your employees?**

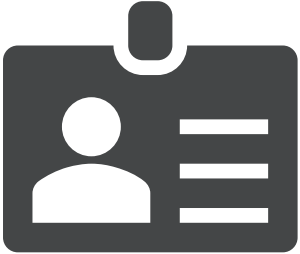
# Question 3:

What is not typically considered part of an employee's Total Rewards offering?

- A. Compensation
- B. Culture
- C. Training
- D. Benefits
- E. External Training Class
- F. A Puppy



# Contact Information



**Email:**

[rshipley@hayscompanies.com](mailto:rshipley@hayscompanies.com)

**Phone:**

720.919.2969

## Rebecca Shipley

### SVP & Total Rewards Practice Leader | Hays Companies of Denver

Rebecca is a leader in the Total Rewards space with experience in the strategy, design and implementation of all Total Rewards programs.

Prior to joining Hays Companies of Denver, Rebecca owned and operated her own Total Rewards Consulting company for nearly six years. Before then, she ran large Total Rewards team in-house for Vail Resorts and Sports Authority. She has designed and communicated base pay structures, short-term and long-term incentive plans and sales compensation programs as well as creating innovative programs that benefited both companies and employees.

**Questions?**



Thank you!



+

