

Willis Towers Watson Total Compensation Management



Today's Speakers



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Agenda

- Growing trends in compensation management
- Developing a competitive compensation strategy and design
- Best practice in communicating reward to employees
- How Willis Towers Watson HR Software can help

Willis Towers Watson: A Truly Compelling Combination

A strong client focus, an emphasis on teamwork, unwavering integrity, mutual respect and a constant striving for excellence are the values at the core of the new Willis Towers Watson organization.

39,000
colleagues
in **120+**
countries

Scale, diversity and
financial strength
\$8.2 billion
revenue

A deep
history
dating back to
1828

Upcoming Events

Event	Dates	Location	Details
HR Technology Conference and Exposition	October 4-7	Chicago, IL	Booth #622
HR Tech World Congress	October 25-26	Paris	Booth #219

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The Business Case for developing an aligned human capital framework

A superior Employee Value Proposition drives desired outcomes

Companies with a highly evolved employment deal are:

3x

as likely to report
their employees are
highly engaged

1.5x

as likely to report **achieving
financial performance**
significantly above their peers

And less likely to report
having difficulty attracting
and retaining employees
particularly those in key
employee segments

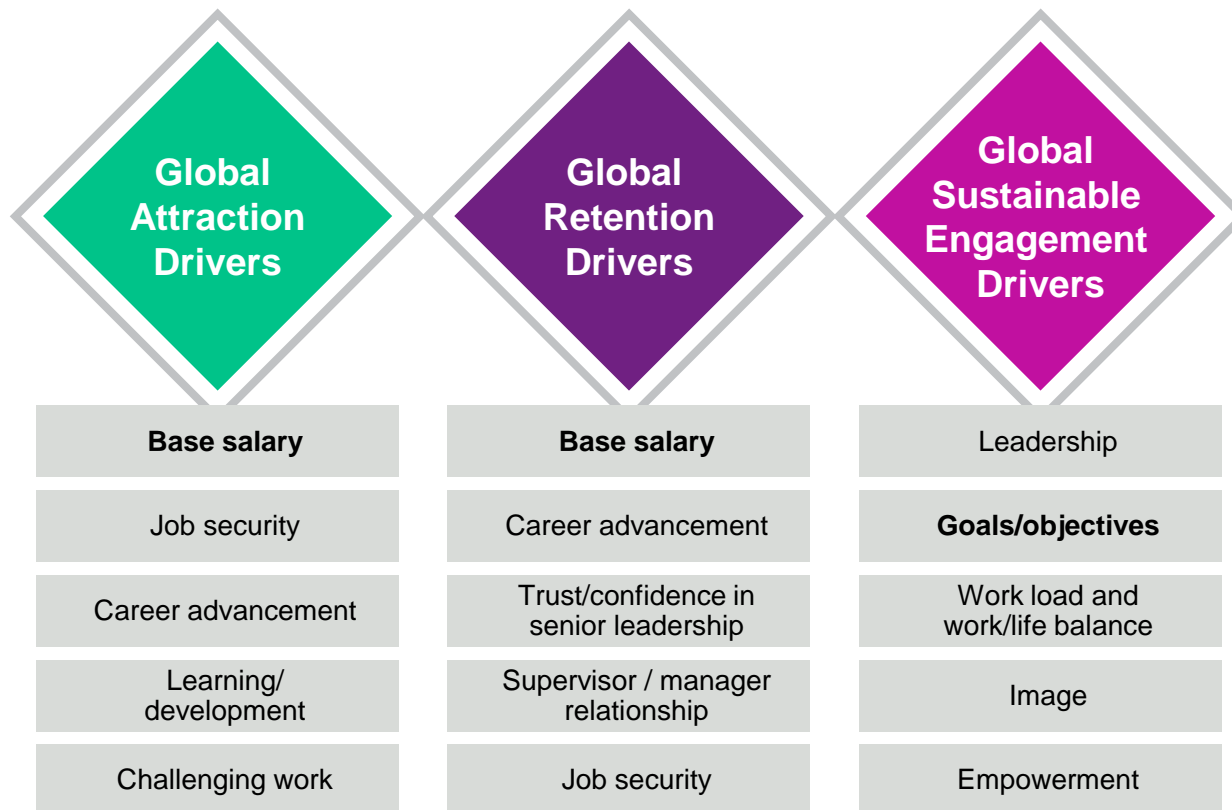
Source: 2014 Towers Watson Global Talent Management and Rewards Study

Integrate Total Rewards strategy, design and delivery for a superior EVP



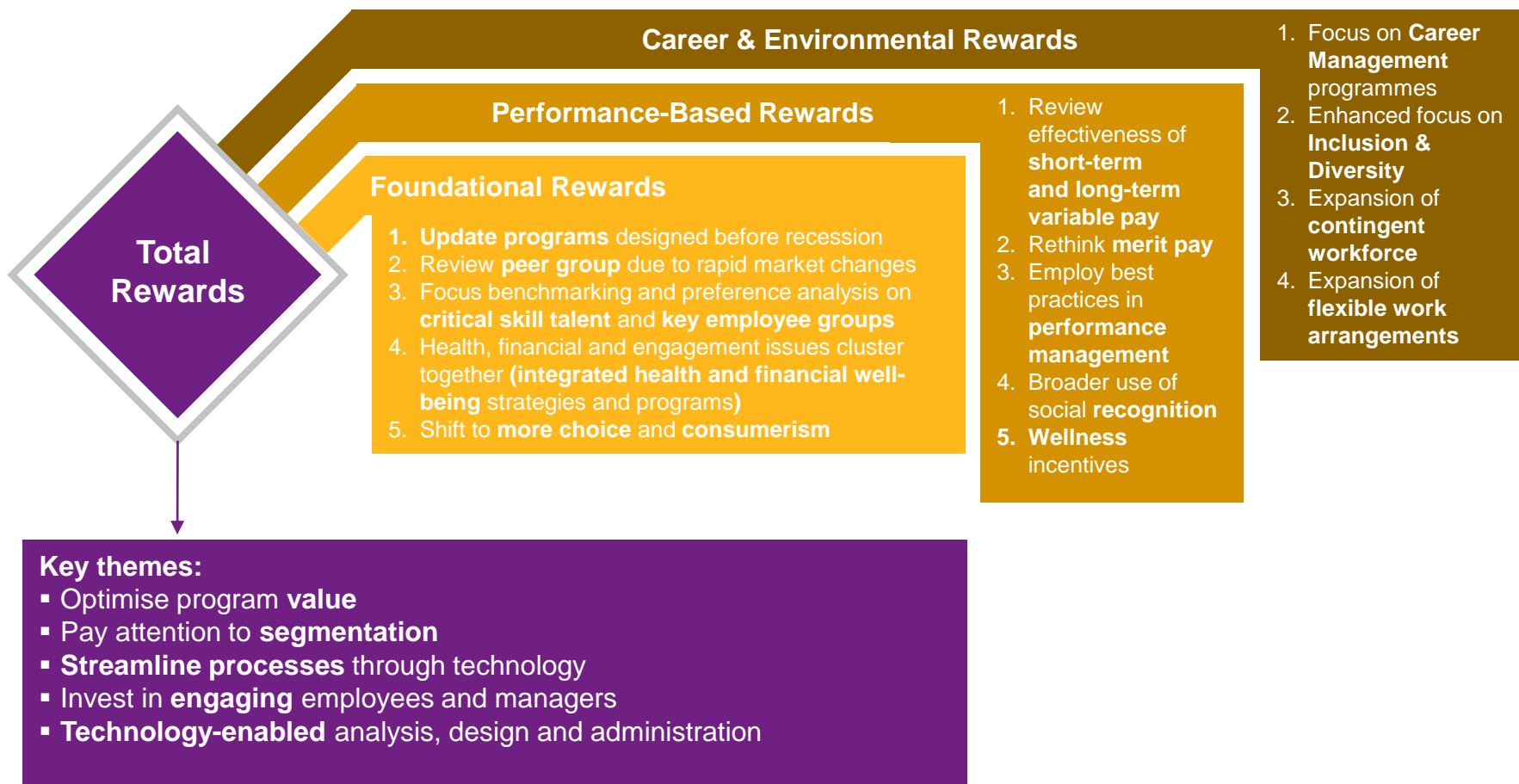
Base salary is an increasingly critical driver of attraction and retention

ADDRESS TOP DRIVERS OF ATTRACTION, RETENTION AND SUSTAINABLE ENGAGEMENT IN CONTEXT OF SPECIFIC BUSINESS STRATEGY

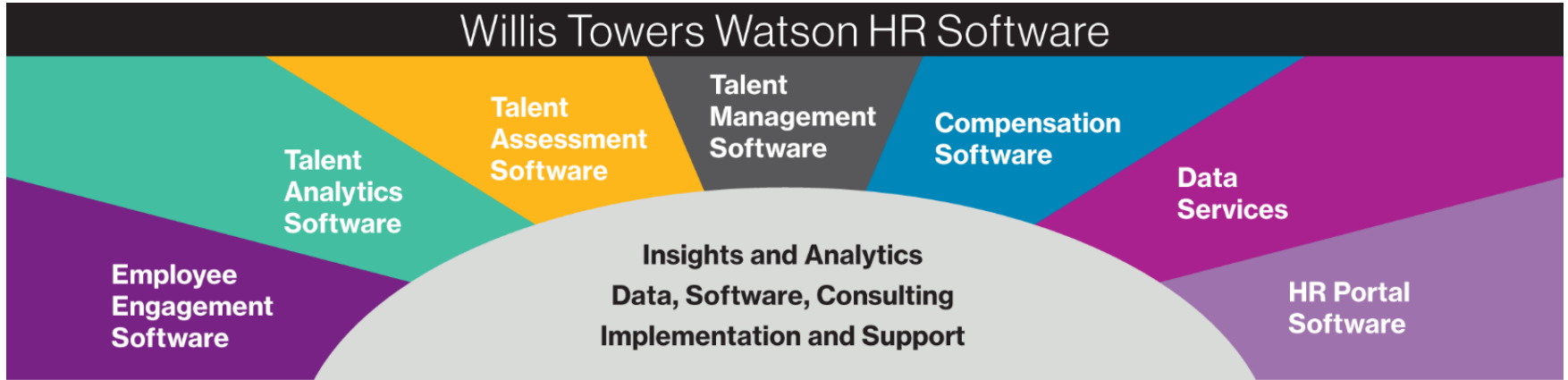


Sources: Employee view of drivers as captured in the Towers Watson Global Workforce Studies, 2012 to 2014.
 Top five most frequently cited reasons by employees globally to join or leave an organization from a list of 27 possible reasons

Total Rewards Themes for 2016 and beyond

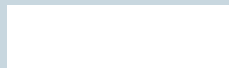
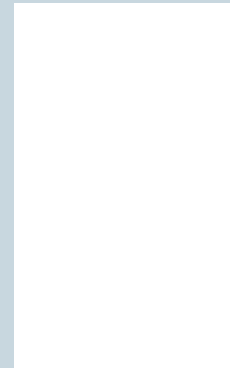
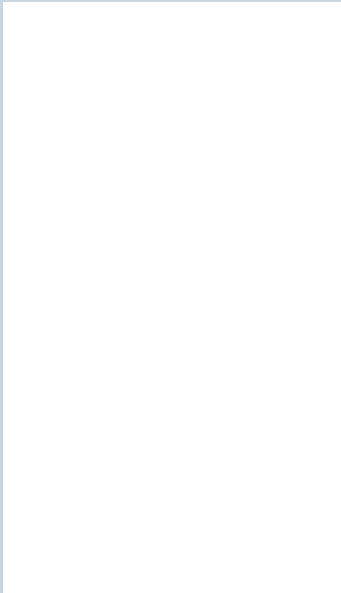


Willis Towers Watson HR Software: Overview



Willis Towers Watson HR Software

Product demonstration – Willis Towers Watson Compensation Software

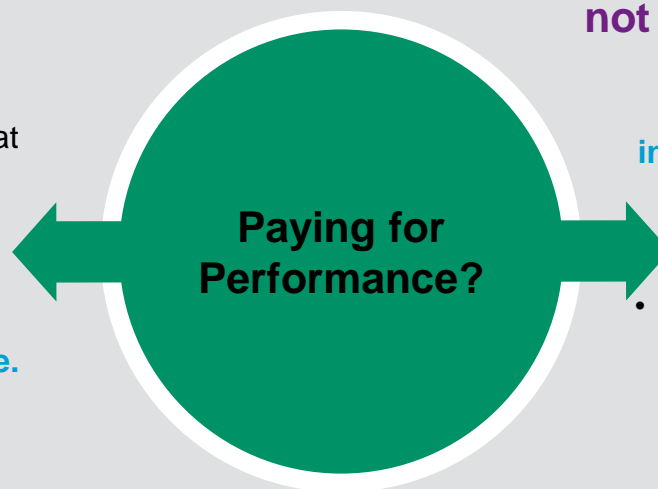


Performance- based rewards - more lip service than reality...

Currently, highly prevalent pay for performance design and implementation tools are broken

Merit increases are not working on two dimensions:

- Only **20% of employers** in North America say merit pay is effective at **driving higher levels of individual performance**.
- A mere **32%** say merit pay is effective at **differentiating pay based on individual performance**.
- In fact, **roughly a third (30%)** report that annual base salary increases are **not at all effective in this regard**.

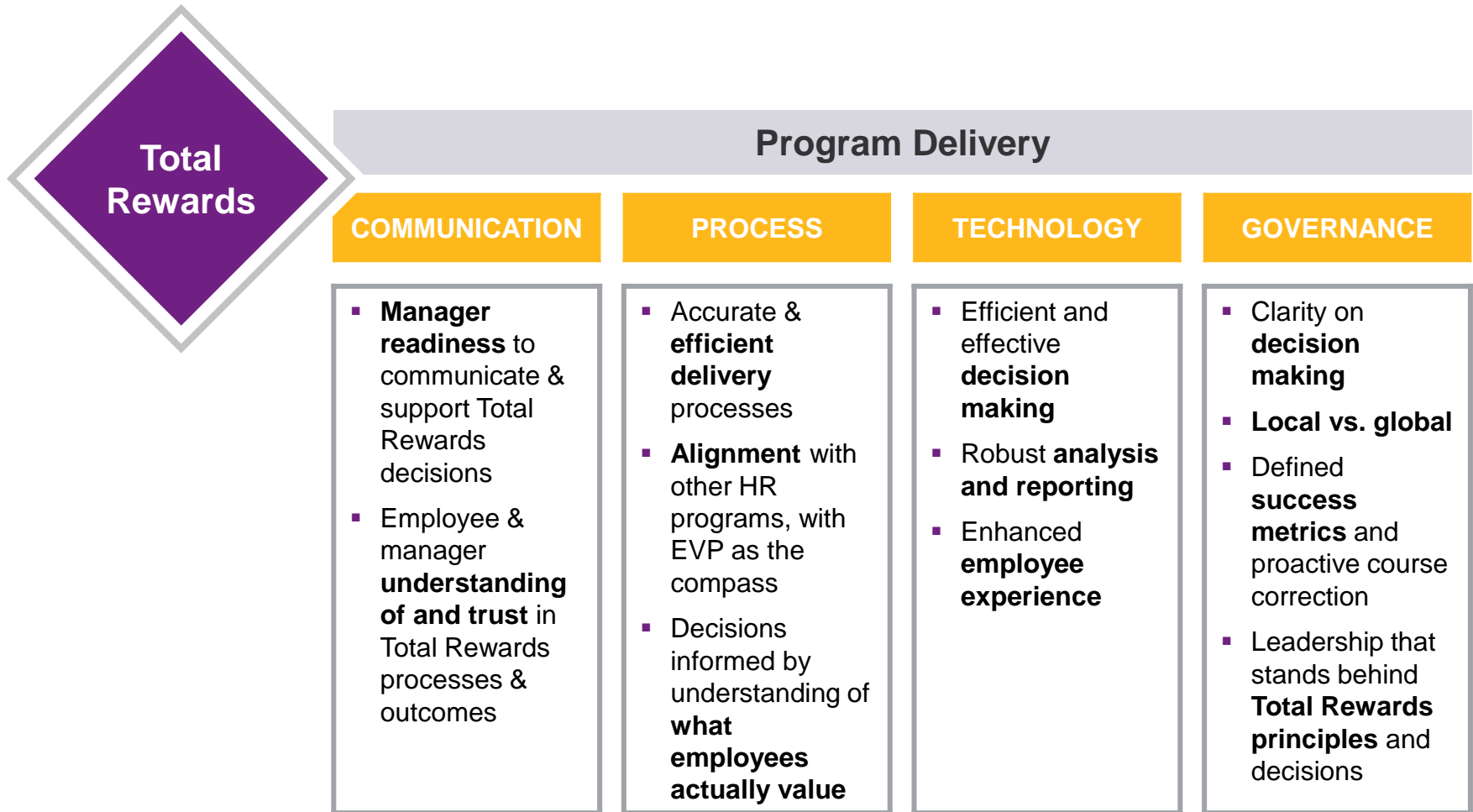


Short-term incentives are not consistently delivering

- Only **half** say **short-term incentives are effective at driving higher levels of individual performance**
- **Even fewer (47%)** say that these **incentives are effective at differentiating pay** based on individual performance.
- 30% of employers pay bonus to those **who fail to meet expectations**.

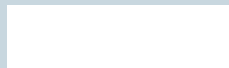
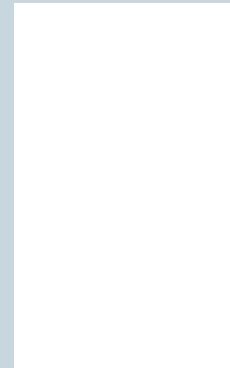
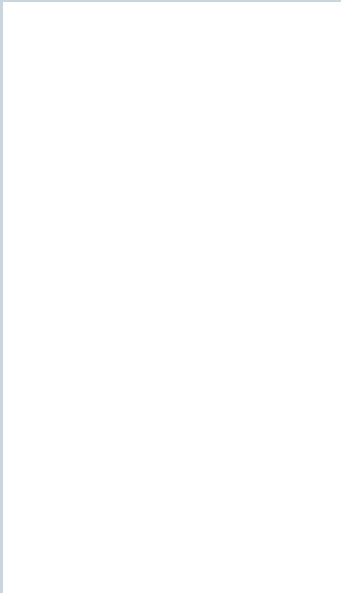
Source: 2015 Towers Watson Talent Management and Rewards Pulse Survey #1 (U.S.) and #2b (North America)

And is the issue strategy, design ... or delivery?

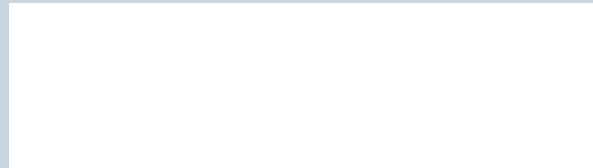
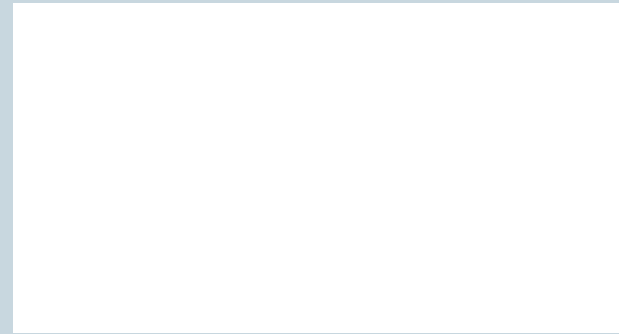


Willis Towers Watson HR Software

Product demonstration – Willis Towers Watson Talent Management Software



Best practice in communicating reward to employees



Why companies need to pay attention

Only **52%** of employees think their organization does a good job of explaining their pay

Only **45%** of employees say their managers are effective at reflecting performance in their pay decisions

Less than **50%** of employees report a clear link between pay and performance

Towers Watson 2014 Global Talent Management & Rewards Study

What experience are we trying to create?



Principles for helping people understand reward

Align your reward philosophy with your broader HR strategy, EVP and consumer brand

**ALIGN
FEEL**



Harness the power of your brand to create emotional buy-in and give employees a framework and context in which to process the reward messages that will follow

Explain what business factors determine your reward philosophy, linking back to your business strategy and individual performance goals

**LINK
UNDERSTAND**



Use simple graphics, animations or films to bring to life the different elements of reward

Show how your reward approach helps you deliver your business strategy and continue to demonstrate consistency in how you make and communicate reward decisions

**SHOW
BELIEVE**



Draw on real examples to illustrate the connections between reward and other business initiatives and recognise local context

Consumer-driven marketing tactics maximize message impact

Creativity & branding



Segmentation



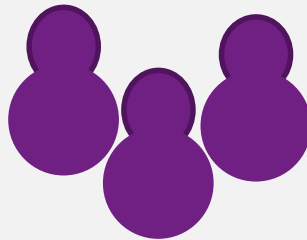
Access



Learning preferences



Peer influencing

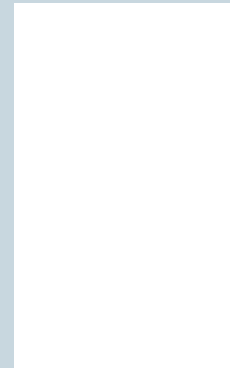
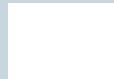
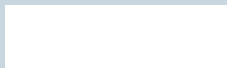
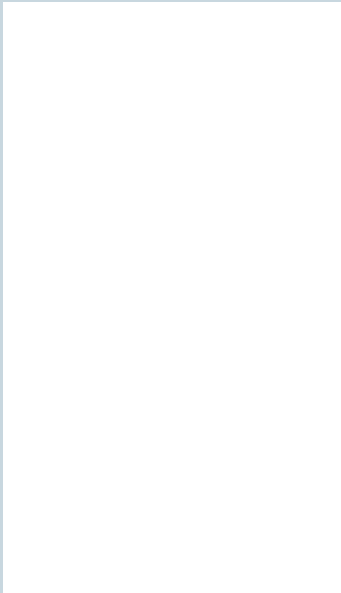


Positive reinforcement



Willis Towers Watson HR Software

Product demonstration – Willis Towers Watson Total Rewards Portal Software



Discussion and Questions

