

10 STEPS TO COMPENSATION & REWARD STRATEGY SUCCESS

With the UK's labour force shrinking and key skills in short supply, hard working HR teams will be looking for every advantage over their rivals to attract and retain the best talent.

An effective compensation and reward strategy will help your organisation compete for prime candidates, reduce turnover rates, boost employee performance and much more besides.

So, what actions should you take when creating your own?
Here are 10 steps to compensation and reward strategy success:



1 Understand your organisation's core objectives

The first action you should take is understand your organisation's core objectives, what its ultimately looking to achieve, and the key performance indicators (KPIs) that you can measure that success by.

2 Conduct a review of your current compensation and reward structures

Perform a thorough review of the current compensation structure within your business, including salary levels, benefits, performance-based incentives, and any type of bonuses your business offers. With the information you gather, you'll be able to analyse how well your compensation and rewards packages align with the market rates and industry standards.

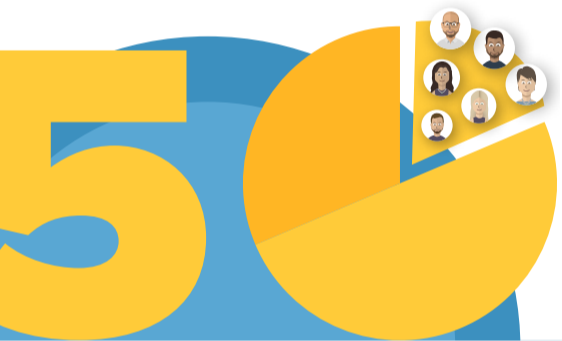


3 Conduct benchmarking and analysis

Researching and benchmarking compensation the compensation packages and benefits offered by your competitors and companies in similar industries is vital. Doing this will help ensure your organisation remains (or becomes) an attractive option to potential new joiners, and a competitive business that employees will be happy to remain at for longer.

4 Involve your employees and gather their feedback

Look to collect feedback from your own employees to understand their preferences, expectations, and pain points regarding compensation. This engagement can increase employee buy-in and satisfaction with the overall strategy. You could do this through initiating a pulse survey that asks simple yes or no questions.



5 Segment your employees

Segment your employees based on their roles, responsibilities and individual contribution to your organisation. You'll need to do this as different employee groups may require a different approach to compensation and rewards.

6 Align your strategy with your company's performance management programme

Aligning your strategy with your company's performance management programme is one way to boost productivity. It can also provide clarity as to what employee goals are, what they need to do to achieve them, and their progress against key indicators of success. In addition, look to establish clear performance evaluation metrics for your strategy, and link them to any reward or recognition system you already have in place.



7 Consider the rewards and longer-term incentives you'll be offering

Will you be offering cash-based or experiential rewards for those who go above and beyond? Also, along with short-term performance-based rewards, consider implementing long-term incentive plans to align employees' interests with the long-term success of your business.

8 Ensure legal compliance

To avoid any legal issues, before you implement any new compensation and reward strategy, take the time to ensure that complies with all relevant labour laws, regulations and ethical standards.



9 Communicate your strategy clearly and concisely

Clearly communicate the strategy to your employees, your criteria for rewards, and how they can progress within the system. This type of open communication fosters trust and ensures employees understand their value within the organisation.

10 Conduct regular reviews and adjustments

Regularly review and assess the effectiveness of your strategy along with your key stakeholders, and adjust as needed to remain competitive – especially if the core objectives or circumstances of your business change...



Manage compensation fairly and easily without the administrative burden

Cezanne HR's Compensation Planning module provides a people-centric approach to compensation planning. It empowers your managers to be the centre of your fair compensation plan with staggered approvals and oversight from HR – making a better, more inclusive experience for everyone.

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