

## BEYOND the paycheck: communicating total rewards

While salary is often the centerpiece of a rewards package, rewards for North Carolina state employees go far beyond their paycheck. Communicating the total rewards package is critical to recruitment and retention of high-performing employees.

Benefits are becoming increasingly important in maximizing employee retention. In fact, a recent survey by the Society for Human Resource Management showed benefits as the No. 1-ranked factor in determining overall employee job satisfaction. Unfortunately, most employees do not understand their total compensation and benefits package. Therefore, the state may risk losing talent to other employers that may pay only slightly more because the value of non-cash compensation remains unrecognized.

According to the Corporate Leadership Council (CLC), 70 percent of employees discount the value of their benefits, which in state government, may account for more than 44 percent of their total compensation. Effective communication of total rewards can help improve employee understanding and appreciation and motivate improved performance. Research done by the CLC indicates that honest and transparent total rewards statements offer benefits for both employees and employers. Communicating the value of total rewards packages to employees will elevate benefits comprehension and positively affect employer appreciation. Employees will feel empowered, experience improved self-worth, exhibit higher morale and experience improved job satisfaction.

According to Workspan (October 2006), after Yahoo launched its Total Rewards Statement program, voluntary turnover for the following three-month period was significantly lower when compared to the same period from two years prior. Clear communication of total rewards will enable state government to show the value the state invests in its employees. While the traditional pay stub shows what the employer has taken out, the total rewards statement shows what the employer has contributed. By communicating the value of benefits, state government will reap the rewards of lower turnover and operating costs, increased productivity and employee satisfaction, a boost in recruiting efforts, and fewer requests for wage increases and additional benefits.

Communicating total rewards is not solely the responsibility of the human resources office. The first resource employees often turn to with questions is their manager. Managers at all levels should be trained to communicate the total rewards package offered by state government and should take advantage of every opportunity to communicate total awards to their employees.

Throughout the marketplace, as companies work to balance retaining talent with containing costs, they are giving more attention to communicating total rewards programs. State government is no exception. North Carolina will not realize the return on its investments in compensation, benefits, career development and other employee services if employees are unaware of the value of their total rewards package. Communicating total rewards will give state government a bigger bang for its benefits bucks.

[Link to NC Total Rewards Statement](#)

[Link to Onboarding](#)

[Link to Recruitment](#)

[www.performanceSolutions.nc.gov/motivationInitiatives/RewardsandRecognition/TotalRewards/CommunicatingTotalRewards.pdf](http://www.performanceSolutions.nc.gov/motivationInitiatives/RewardsandRecognition/TotalRewards/CommunicatingTotalRewards.pdf)