

Is your total rewards strategy making an impact?

Imagine employers providing their employees with a Total Rewards plan that allows for flexibility, recognises the employee lifecycle, and assists in creating a work environment that facilitates this integration. The question is, where to begin?

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The Singapore workforce is diverse, both generationally and culturally. While the work environment is demanding, it attracts people who enjoy the challenge.

Still, a demanding work environment is a stressful one and has major impact on productivity. Employees are constantly facing the pressure to integrate their work environment with managing their overall wellness—especially their financial well-being.

So, imagine the opportunity for employers to have a Total Rewards strategy for their employees that allows for flexibility, recognises the employee lifecycle, and assists in creating a work environment that facilitates this integration.

The question is, where to begin?

When an employee is unable to manage his or her finances efficiently, it can manifest into a great deal of stress. Our studies have shown that employees spend 2 to 3 hours a week on managing their finances while at work. Both of these factors have direct impact on productivity—which is why, in recent years, Singapore has seen a growing shift where employers are starting to see the importance of financial education as part of the total wellness agenda.

In [Aon Hewitt's Hot Topics in Retirement and Financial Well-being 2017 study](#), 59% of employers say

they are very likely to focus on the financial well-being of employees in ways that extend beyond retirement. Another 33% are moderately likely to do the same. And while financial well-being has been a hot topic for several years now, 60% of employers feel its importance has increased in their organisation over the past 24 months.

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What can employers do better?

Employees who stay for the money are the first ones to be lured away by the prospect of more dollars. Unfortunately, many employees move on to the next role without realising the true value of their Total Rewards package—which includes compensation, benefits, and other experiential elements such as learning and development, financial education, and more. Only when employees can understand the total value of the rewards they receive from their current employer, will a proposed salary increase alone from a prospective employer appear insignificant.

InsightsAtWork: Is Your Total Rewards Strategy Making an Impact?



When employees can understand the **total value of the rewards** they receive from their employer, a **proposed salary increase** alone from a prospective employer will appear less significant.

SOURCE: apac.aonhewitt.com/InsightsAtWork | The Aon Hewitt blog

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This is why it's critical for employers to communicate their total rewards offerings clearly, comprehensively, and consistently to their employees. In terms of financial well-being, this will help to encourage shared responsibility and behavioural change when it comes to improving financial literacy.

At the same time, employers also have a responsibility to ensure that the rewards remain appropriate for employees throughout their lifecycle.

How to deliver return on people investment?

There are 3 ways to deliver return on people investment on your financial wellness and benefit programmes:

1. Customise to each employee's life cycle

Younger employees don't have retirement on their minds, so they need basic financial education and guidance into starting their retirement journey. On the other hand, older employees are more focused on retirement and employers can afford to be more aggressive in their approach to helping these employees with their retirement planning.

In addition, in a market where the lines between work time and personal time are fast becoming integrated, more and more organisations in Singapore are offering tailored financial services to specific segments of employees, such as senior executives, mobile employees, and high potential talent. This involves providing them with personal access to financial advisory services, who can offer customisable one-on-one advice on managing their finances.

Ultimately, this translates to peace of mind for employees—and even higher engagement.

2. Provide relevant education and communication

Financial education is the key to increasing employee awareness and kick-starting the journey to behavioural change—and as a result, improving an employee's financial well-being. It's also crucial for employers to understand the key issues employees are facing, and offer programmes that complement the

current employee benefits.

However, offering these programmes as a one-off or standalone is simply not enough. Such education programmes must be integrated with other components of the Total Rewards package—for example, some organisations provide their senior employees with access to a financial adviser.

3. Integrate financial wellness programmes with the Total Rewards package

Employers often miss the opportunity to package their rewards and impress the value of the organisation's Total Rewards offering to employees. From the employer's standpoint, simply believing it is "the right thing to do" will not bring change nor create a shared sense of responsibility.

Integration, knowledge, and tools will assist an employee to make wise financial decisions and support them in planning for their financial future. The right financial education—as part of a comprehensive Total Rewards package—will empower them to ask questions such as:

- Am I getting the most value from my Total Rewards package?
- How do my short- and long-term incentives impact my long-term savings goal?
- Am I on track to achieving financial independence?

Through these ways, HR will be well-placed to understand the pulse of the organisation and equipped to work closely with the organisation's leaders to review current employee benefits and decide the areas of improvement. And of course, don't shy away from getting objective and professional advice from a Total Rewards expert.

<https://www.smeportal.sg/content/smeportal/en/bizguides/human-resources/2017/is-your-total-rewards-strategy-making-an-impact.html>