



# A Bottoms-Up Approach to What's Next in Total Rewards

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# What you said was on your mind



# The “Shifting Sands” shaping today’s thinking

## The Employee



**Workers’ need support for finances and stress; many of most at-risk not using given resources**

### **Cost of living is a major stressor**

Employees can’t cut expenses & employers can’t increase wages (ex. Nurses) **creating an affordability crisis**

Healthcare workers struggle with “**cognitive overload**” and “**physical overload**”

**Declining financial and mental well-being** is impacting productivity

**Multiple generations** are stretching employer’s ability to support employees

## The Workforce



**Evolving expectations of workers & employers are changing the definitions of work and retirement**

**Return-to-work** strains worker-employer relationship

**HC Workers value flexibility** and want to work (and not work) on their terms (challenges on clinical side)

**Definition of retirement** is changing for many; new models are emerging

**Worker/Employer relationship is no longer long-term by default**, yet many benefits are (avg turnover 25%)

**Topics that are important to many employees have become very charged** (ESG, Women’s Health, DEI, Unions)

## Business economics



**Cost pressures fuel need for change while technology creates new opportunities and challenges**

Employers continue to **feel cost pressure and seek more ROI**

**Aspiration for offering consistency/harmonization** across worker groups

**AI is top of mind in HC operations and clinical**, but leaders are both bullish and fearful of the tech

**Data sharing via APIs** is fueling data-driven decision-making and more outcome-focused programs

**Cybersecurity is a concern** as sophistication of attacks and data misinformation campaigns grow

# What's Next in Total Rewards

# A Bottoms-Up Approach to What's Next in Total Rewards

## Understanding your **shifting sands**

What do key stakeholders believe is needed?

How do you compare to your talent competitors?

What are employees thinking and feeling about your Total Rewards?

What is the cost/perceived value of your Total Rewards components?

Are your benefits appealing/equitable across key employee populations?

How do benefit needs & satisfaction vary across employee populations?

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## Rewards Optimization Toolkit:

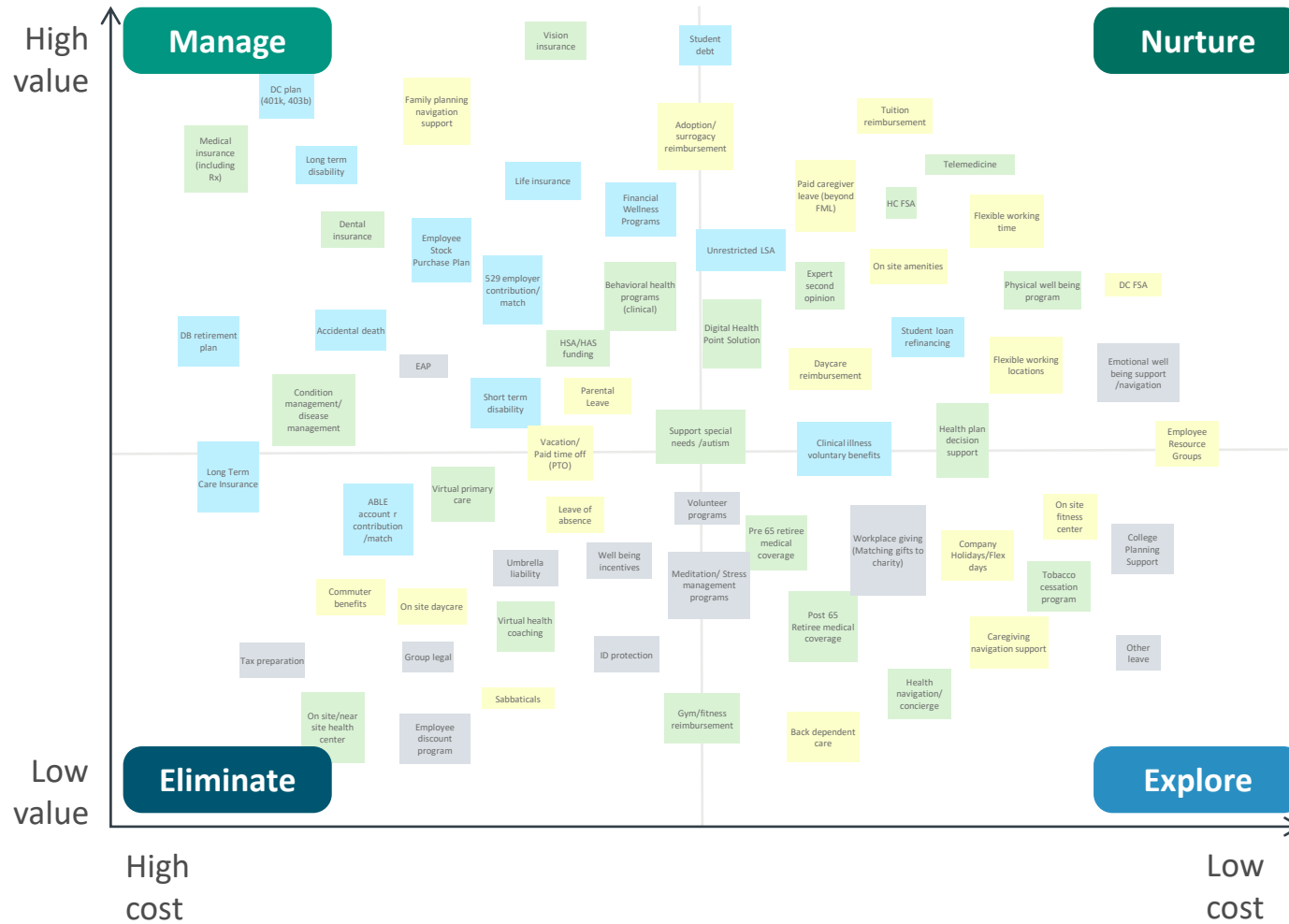
## Understanding your **shifting sands**



- ? What do key stakeholders believe is needed?
- ? How do you compare to your talent competitors?
- ? What are employees thinking and feeling about your Total Rewards?
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# Rewards Roadmap

# Optimizing an organization's Rewards Portfolio



Use qualitative and quantitative means to prioritize and refine the strategy for each Rewards component.

Seek to understand the 5A questions:

Availability

Adequacy

Awareness

Accessibility

Affordability

## 1 Leadership Interviews

Capture business/HR leaders' views to understand organizational objectives & needs

- Identify key internal stakeholders among leadership
- Gather perspectives on business unit needs related to Total Rewards
- Summarize results and contrast and identify key leadership priorities

“ Employees don't understand the actual cost of benefits...”

“ The % amount paid by the organization for total cost of benefits is not sustainable... but employees now expect this level of benefits...”

“ The benefits offered are excellent, but people still want more... More flexibility... more coverage... more time off...”

## 2 Market & Social Scan

Compare and contrast market perceptions of benefits programs against peer organizations

- Identify organizations that compete in the same talent pool
- Study benefits offered and external market perception through publicly available sources
- Summarize results highlighting strengths and opportunities

Segment & Ratios	Client Organization 18,000 employees	Organization A 12,500 employees	Organization B 22,500 employees	Organization C 37,000 employees	Organization D 18,500 employees	Organization E 41,000 employees
TOTAL # REVIEWS*	2300	1100	3000	980	3540	2800
AVERAGE SCORE**	3.9	4.2	4.1	4.4	4.1	4.3
CULTURE	3.8	3.7	4.0	4.1	4.0	4.2
WORK/LIFE	4.3	4.3	4.3	4.4	4.2	4.4
DIVERSITY & INCLUSION	3.8	4.0	4.0	4.3	4.0	4.3
MANAGEMENT	3.7	4.0	4.2	4.1	3.9	4.2
COMPENSATION & BENEFITS	4.4	4.5	4.0	4.4	4.0	4.5
REVIEWS CENTERED ON BENEFITS	20% (460 reviews)	8% (88 reviews)	17% (510 reviews)	27% (265 reviews)	30% (1062 reviews)	15% (420 reviews)
BENEFITS VALUE PER EMPLOYEE***	\$9,030	\$21,860	\$8,700	\$9,085	\$10,124	\$19,870
BENEFIT REVIEW RATIO (Positive vs Negative)	7:1	5:1	8:1	12:1	4:1	9:1
HEALTH BENEFITS: Positive	10% (40 reviews)	15% (12 reviews)	7% (33 reviews)	15% (37 reviews)	10% (101 reviews)	4% (16 reviews)
FINANCIAL BENEFITS: Positive	13% (55 reviews)	12% (10 reviews)	11% (52 reviews)	9% (7 reviews)	23% (232 reviews)	9% (12 reviews)
WORK/LIFE BENEFITS: Positive	26% (107 reviews)	20% (14 reviews)	26% (126 reviews)	18% (65 reviews)	18% (186 reviews)	28% (114 reviews)



# 3 Measuring employee perceptions through Virtual Focus Groups

Capture employee voice around needs and perceptions of value of benefits via an AI-powered, chat-based virtual focus group platform



## Financial priorities and wellbeing

Understanding financial priorities plus use and perception of financial benefits



## Flexible work

Understanding family and household needs, and what work-life balance means



## Benefits to enable health security

Awareness and perception of different health benefit plans and barriers to utilization



## Compensation

Awareness and perception of compensation plans, bonuses, long-term incentives



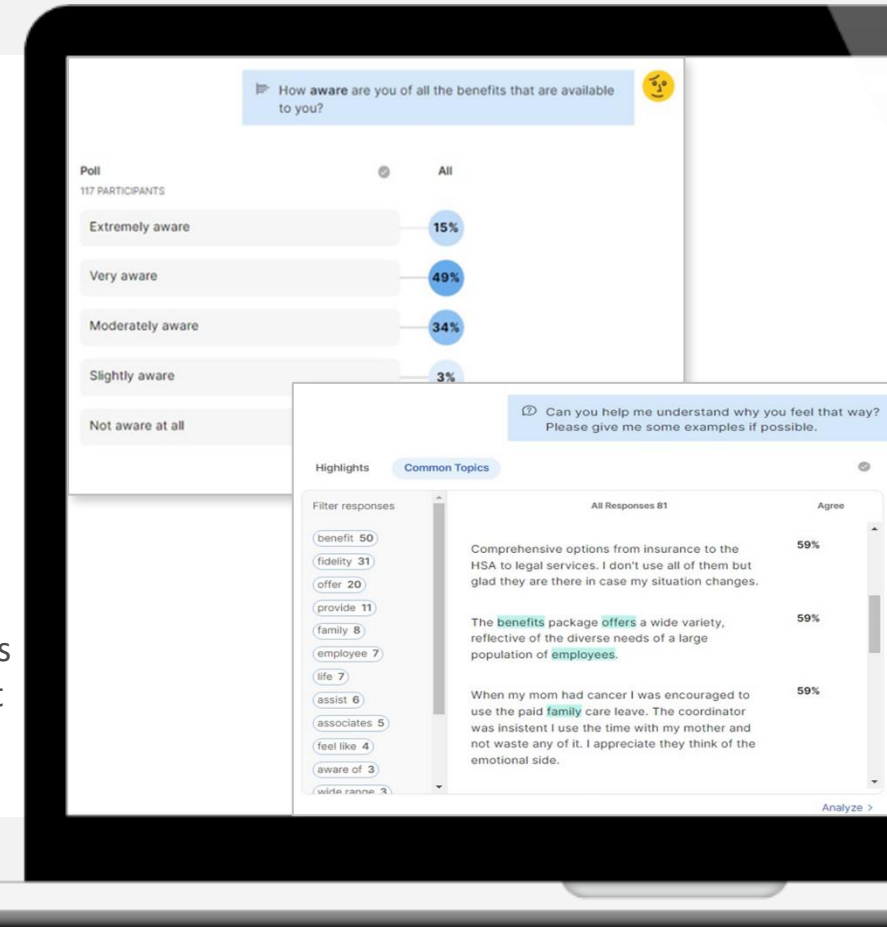
## Mental health benefit utilization

Awareness and perception of mental health benefit cost, perceived barriers and ease of use



## Impacting attraction and retention

Understanding life needs, their perceptions of competitor benefits, and gaps in current benefits



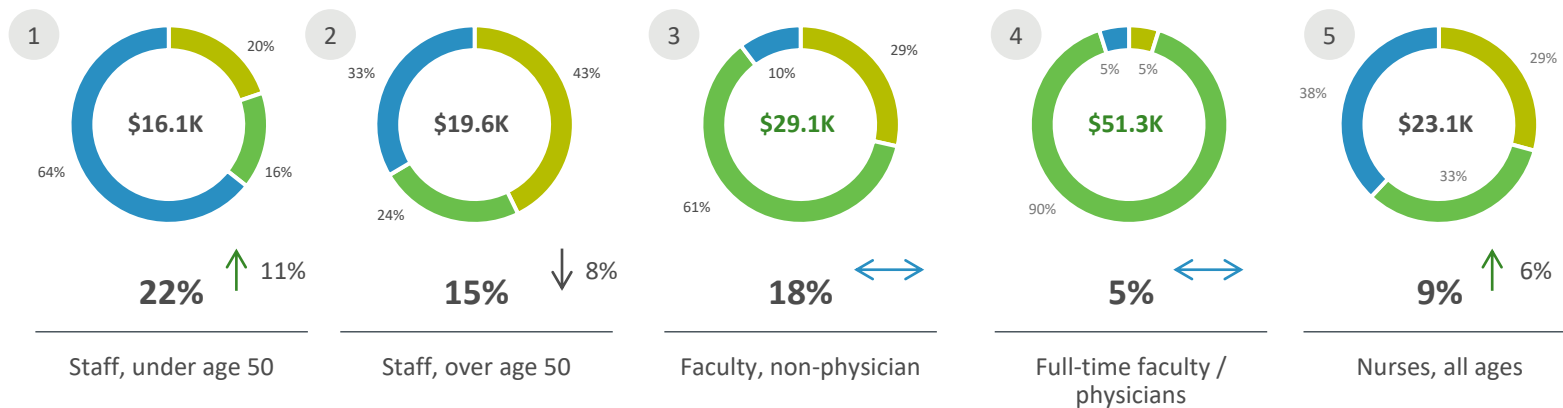
# 4 Benefits Choice Modelling



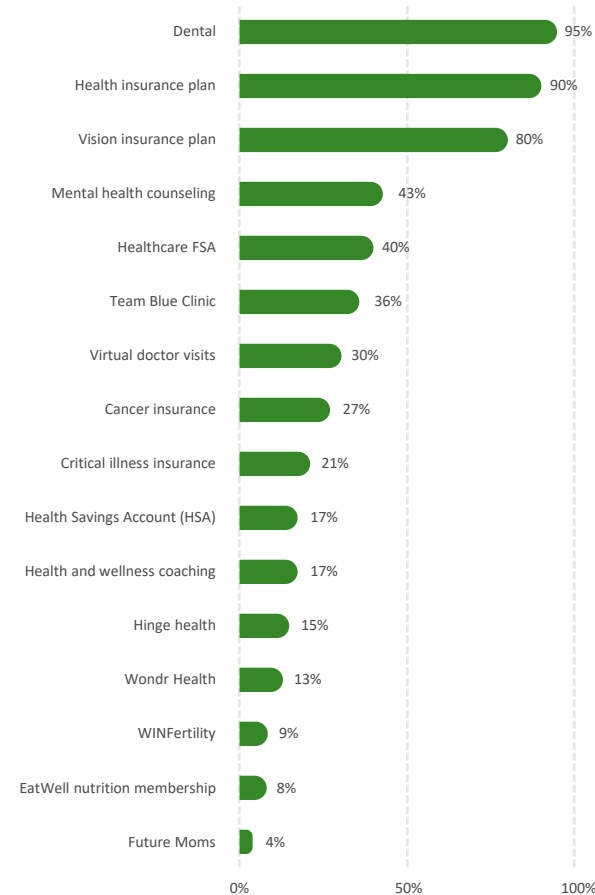
Conduct targeted broad-based and domain-specific conjoint studies to identify optimal choice bundles

- Perceived relative value of each benefit
- Comparison of perceived value versus actual cost
- Understanding of the total perceived value of benefits
- Identification of Rewards most important for retention
- Comparison of perceptions across key employee populations

Perception of Value of Benefits by different employee segments\*\*



Health benefits



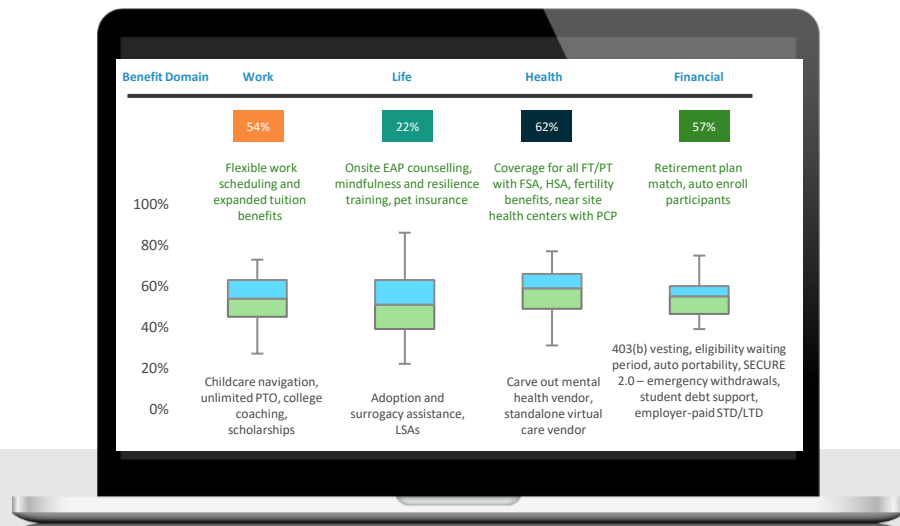
## 5 Benefits equity

Benefits Inventory Scoring across all benefits domains relative to needs of key populations, compared to best practice offerings



Benefits inventory questionnaires collect data on:

1. Benefits offered
2. Key plan design element
3. Vendor governance



## 6 Needs / gap analysis

Capture awareness, utilization and satisfaction levels for key benefits to identify top opportunities



Benefits Cost Data – Fidelity to share framework for:

- How important each benefit is to a person
- How satisfied users are with current plan/provider



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Are your current listening posts providing you with the fresh perspective you need to understand your shifting sands?



Do you understand how your key populations perceive your Rewards, and how effective they are in attracting & retaining your essential talent?



Do you have a process for evaluating and managing the effectiveness of your Total Rewards strategy?



# Questions

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