

WorldatWork Total Rewards Model



WorldatWork
Total Rewards Association



Total Rewards encompasses the elements – **compensation, well-being, benefits, recognition and development** – that, in concert, lead to optimal organizational performance. When designed strategically and executed in alignment with business goals, Total Rewards programs fuel motivated and productive workforces that feel appreciated and rewarded for their contributions, driving the organization to ever greater success.

Initially introduced in 2000, the WorldatWork Total Rewards Model continually evolves to reflect changes in organizations’ needs, workforce expectations, workforce demographics and the Total Rewards profession.

The practice of Total Rewards requires in-depth knowledge, specialized skills, and up-to-the-minute insight into the most critical issues facing today’s workforce. The model captures the broad influence that Total Rewards practices and its practitioners have on organizational strategy and workforce outcomes.



The Total Rewards Model

The Total Rewards Model encompasses five components, each of which includes programs, practices, and nuanced dimensions that collectively define an organization’s strategy to build a productive, inspired and committed workforce.



Compensation

Pay provided by an employer to workers in exchange for services such as time, effort and talent. This includes both fixed and variable pay tied to overall contributions.

Well-Being

The state of a workforce that is productive, comfortable, happy, and healthy, considering physical, emotional/mental, financial and environmental factors. Total Rewards professionals influence this state through organizational strategic influence and building programs that support workforce success inside and outside of work.

Benefits

Programs focused on health and welfare, income protection, financial preparedness, retirement and time off including leaves of absence, aimed to provide holistic well-being and security for the workforce and their families.

Development

Encompasses the rewards and opportunities that employers offer their workers to advance their skills, competencies, responsibilities and contributions – in both their short- and long-term careers.

Recognition

Formal or informal programs that thank, validate, recognize and celebrate workforce contributions while aligning and strengthening organizational culture.



Influences

Following are the many external and internal influences that inform Total Rewards initiatives.

Internal Influences

There are also internal influences that inform the design and implementation of Total Rewards programs. These encompass business strategy, culture, workforce, inclusion, and leadership:



Strategy

Total Rewards strategies are a mechanism to make a strong business strategy come to life. Whether the goal is operational excellence, product/service leadership, or customer engagement – rewards programs help communicate expectations, align efforts, and motivate the behaviors required to deliver results.

Culture

Simply stated, organizational culture refers to a set of shared values and beliefs that form over time as people interact and work together. It encompasses an organization’s vision, values, norms, and ultimately influences workforce experiences and outcomes. Total Rewards offerings can help transform and re-enforce desired cultural norms, and significantly influence how work is performed and recognized in the organization.

The Workforce

Rewards must be tailored to meet the needs of an increasingly diverse pool of employees that is defined by geopolitical trends, tech advances and talent demographics, including today’s up-to-five-generation workforce. Savvy Total Rewards pros see this as an opportunity to attract the highest performers and “best” the competition.

Inclusion

In these hyper-accelerated times, diversity and inclusion strategies provide organizations with a competitive advantage in talent attraction and workforce productivity. Total Rewards professionals leaders can help organizations achieve greater diversity while building an inclusive culture by developing clear approaches for pay equity and transparency, career development, inclusive benefits and more.

Leadership

Total Rewards programs are only effective when leaders play an active role to promote understanding and appreciation of the rewards programs. Total Rewards practitioners must work with organizational leaders to ensure that Total Rewards initiatives align with business goals and that they are well-understood, used and appreciated by workers for maximum impact.



External Influences

An organization's Total Rewards program must be created in consideration of external influences including social/cultural norms, the regulatory environment, advancements in AI and technology, and the competitive (product and labor) markets. A deep understanding of these factors provides the context required to build effective programs that attract and retain high-performing employees and drive business outcomes.





HR Strategy

While Total Rewards plays a leading role in the employee experience, it does not exist in a vacuum. Initiatives must be completely woven into the enterprise’s HR strategy, considering the human capital and societal influences that affect program design and strategy. Upskilling, the gig economy, regulatory changes, AI’s impact, data analytics, pay equity, and other HR factors all influence the Total Rewards Strategy.

The Power of Total Rewards

When business strategy, culture and Total Rewards programs are aligned, the result is productive, committed, and inspired employees who contribute their time, talent and efforts at their highest levels. In turn, this elevates performance of individuals and teams, and enhances the bottom line. The gap between what happens and what is possible is best impacted by thoughtfully designed Total Rewards programs. It is the most direct path to achieving organizational outcomes and ultimately delivering the highest value to your workforce.

