



# TOTAL REWARDS TOOLKIT

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# INTRODUCTION

Total rewards is an approach to reward management which emphasises the need to consider all aspects of the work experience of value to employees, not just a few such as pay and employee benefits. It aims to blend the financial and non-financial elements of reward into a cohesive whole.

A total rewards model devised by e-reward.co.uk’s Michael Armstrong is set out in box 1.

## Purpose of the toolkit

The purpose of this toolkit is to describe how the abstract but compelling concept of total rewards can be put into effect in your organisation. This is not easy. Quite clearly, it’s not just a matter of introducing a recognition scheme in addition to conventional contingent pay arrangements. And it means going beyond simply tacking on to existing pay and employee benefit practices a number of established HR policies and processes – learning and development, job design, employee well-being and the like. What it should involve – and what this toolkit describes – is ensuring that a cohesive approach is made to integrating the various

approaches that are available to increase engagement. This is “bundling” in action.

In essence, bundling is the development and implementation of several HR practices together so that they are inter-related and therefore complement and reinforce each other. The aim of bundling is to achieve high performance through coherence. This exists when a mutually reinforcing set of HR policies and practices have been developed which jointly contribute to the attainment of the organisation’s strategies for matching resources to organisational needs, improving performance and quality and, in commercial enterprises, achieving competitive advantage.

## Contents of the toolkit

This toolkit is divided into three main parts:

- examination of the concept of total rewards and some of the key terms
- main models of total rewards
- how to develop a total rewards approach in your organisation.

### BOX 1: THE ELEMENTS OF TOTAL REWARDS

