

Getting full value of Reward in tough economic conditions

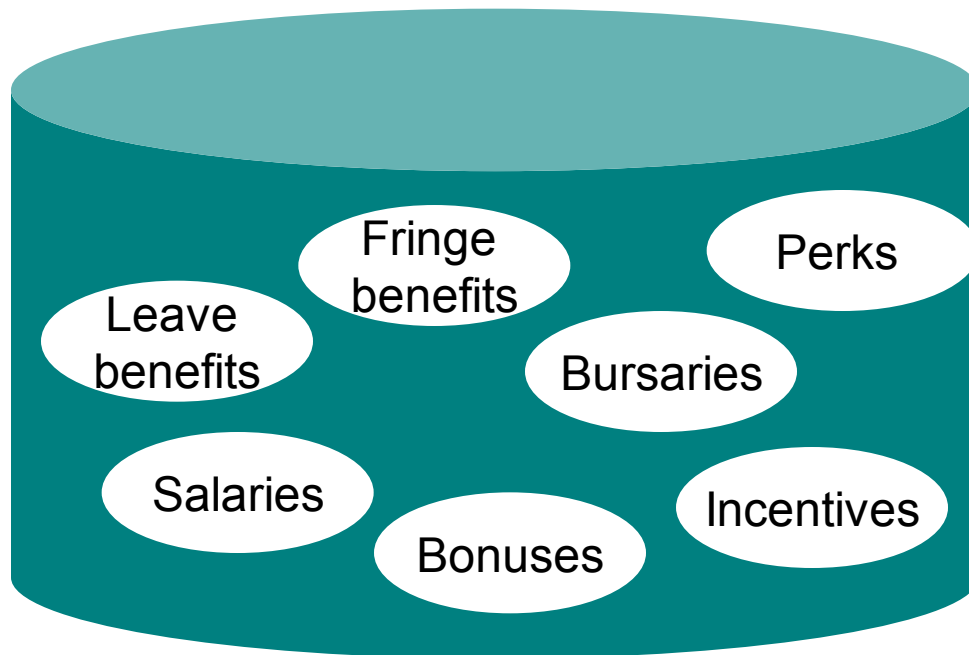
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How can we help you?

How much do you spend on rewarding your employees?



How does the employee perceive his pay?



Pay
cheque

Imagine a world where...

What employer gives is...



What employee perceive he gets is...



What did FNB do to increase Reward ROI?

*Understand
what
you have*

*Capitalise on
what you have*

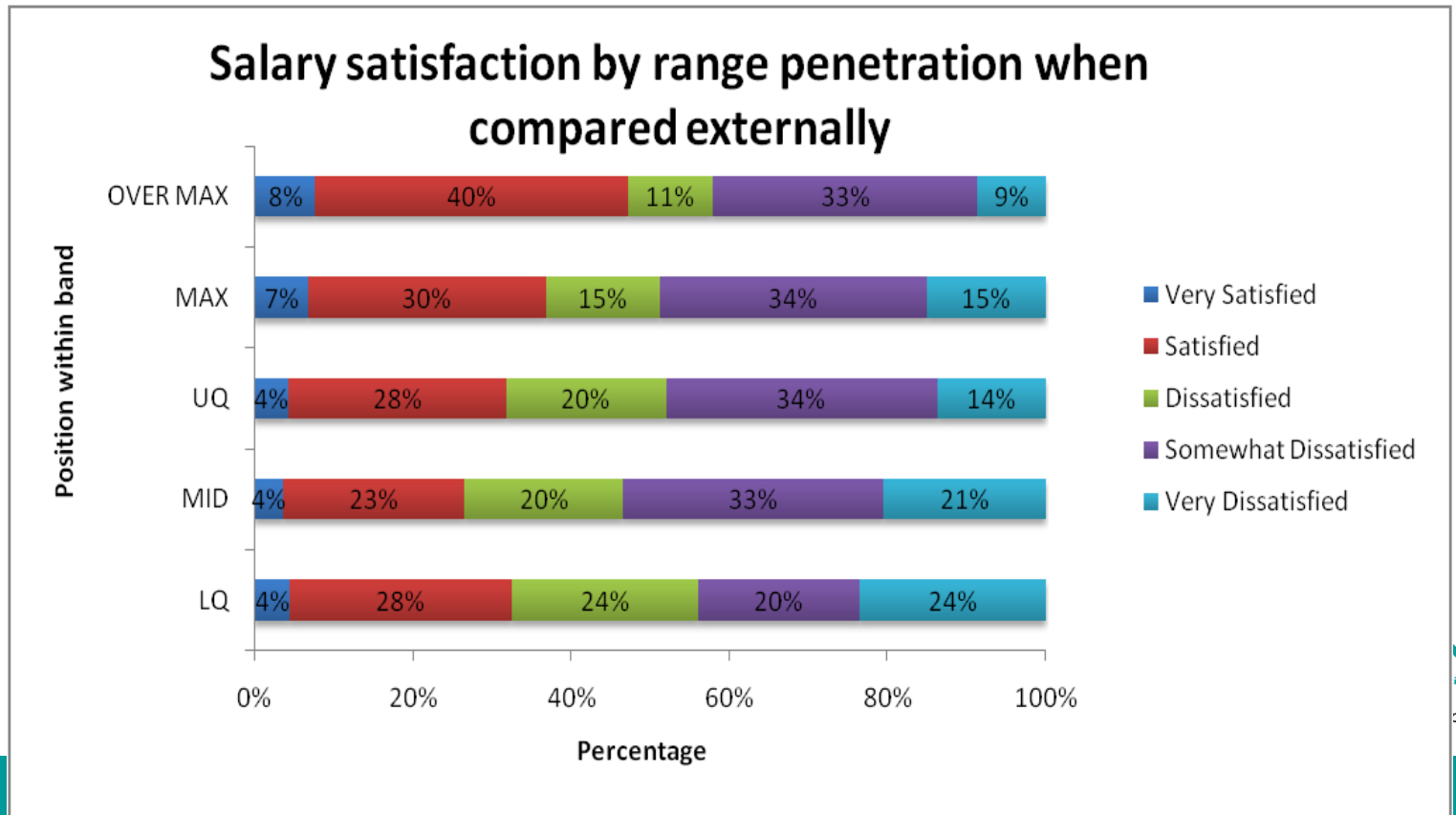
*Become creative
with what
you have*

Reward Preferences
Survey

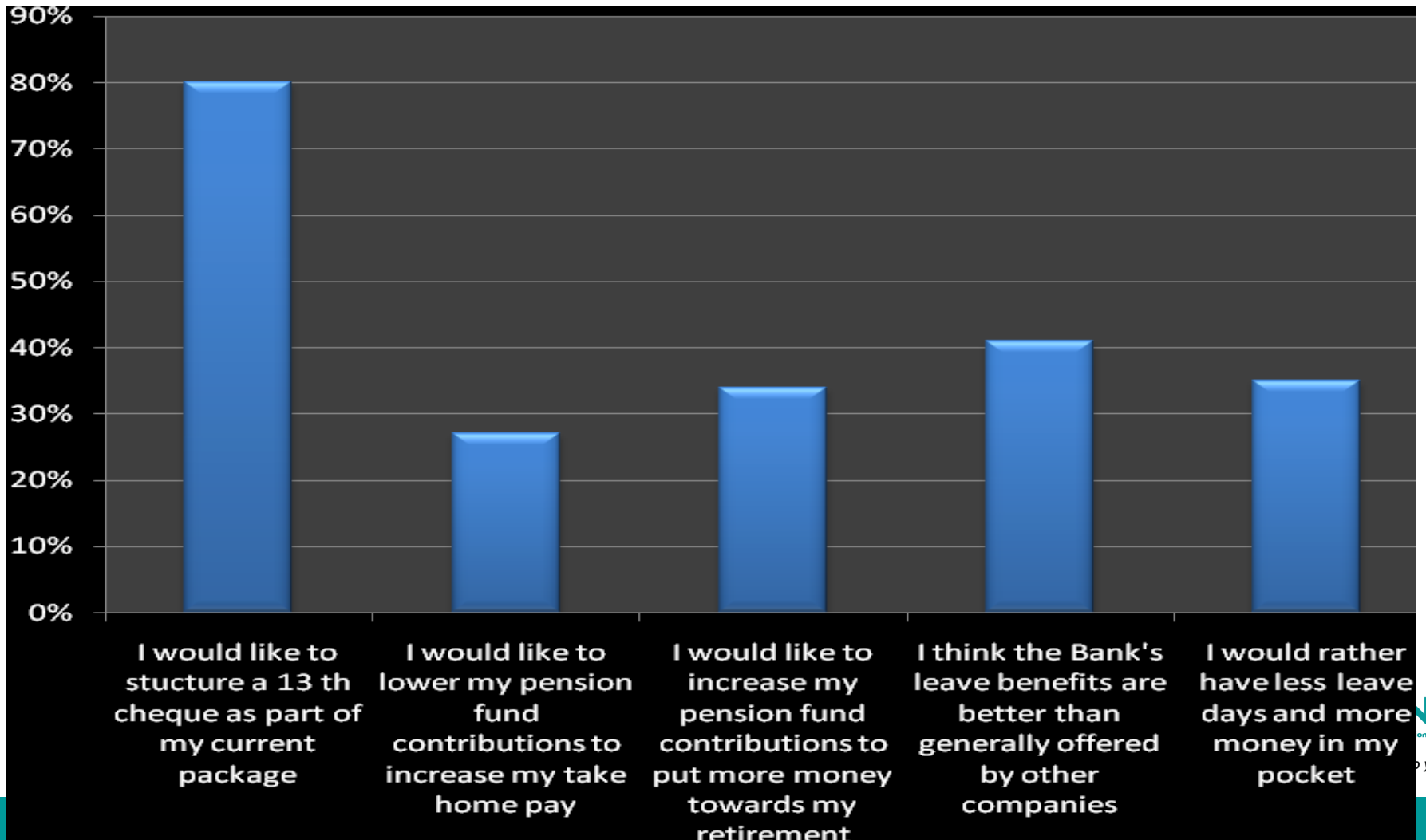
Reward Communication

My Pay My Way
Total Reward approach

No matter how well you pay, the degree of how well satisfied people feel about their salary do not change by a large degree



There is business case for flexible reward offering



FNB Total Reward Approach

<p><u>My Growth</u> Investment in people Development opportunities Training programmes Performance culture Career enhancement Bursaries and scholarships</p>	<p><u>My FNB</u> FNB vision and values Entrepreneurial culture Accountability and empowerment Company growth & success Innovation focus</p>
<p><u>My Pay</u> Guaranteed package Benefits Bonuses and incentives Pay for performance Share Schemes</p>	<p><u>My Work Place</u> Great leaders Great colleagues Stimulating work Open & participative communication Recognition & celebration Wellness at work</p>

“People work for more than money”

(Total Reward concept adapted from the work of Patricia K Zingheim and Jay R Schuster, as outlined in their book Pay People Right: Breakthrough Reward Strategies to Create Great Companies, San Francisco: Jossey-Bass, 2000.

My pay My way

Flexible Reward

My pension

Pension Fund
contribution
options: 5%, 7.5%,
10%, 12.5%

My bonus saving

Structure a 13th
cheque.
Up to 15% of salary.

My leave

All non-statutory
leave balances
can be en-cashed

What can YOU do to increase your Reward ROI?

1. **Improve your Reward communication**

- Company Intranet site (benefits, principles, calculators)
- Share the good news – bonuses and increases
- Total Reward statements
- Company magazines / newsletters
- Educate your HR Generalists
- Package the deal to new employees better

What can YOU do to increase your Reward ROI?

2. Get full value for Reward spend

- Understand people's reward preferences
- Understand the demographics of your workforce
- Review the costs of benefits
- Reduce the cost of “dead meat”
- Slow down the increases of those who are overpaid
- Direct the highest increases towards high performers

What can YOU do to increase your Reward ROI?

3. **Get more for the same amount of money**

- Reward structuring
- Reduced working hour contracts
- The power of recognition – a lot of value for little cost