Did you know that a paycheck accounts for only about 60% of what employers spend on employees?

If attracting, retaining, and motivating the right people is critical to your organization, then knowing the total value of your reward (cash and benefits) program is critical. For organizations to thrive and maintain a strong market position, flexibility, cost efficiency and competitive remuneration data will make the difference.

Triggers for when you should consider checking on your reward positioning include:

- Changes in business strategy – is the current total remuneration mix still relevant?
- Recruitment and retention problems
- Assessing internal equity between different units across the organization
- Consequences of change in any one area of remuneration
- Merger & Acquisition situations

Market Observation Report

An organization’s understanding of its reward positioning is more than just data. Hay Group will provide a comprehensive report which tells the story of your total rewards program.

This report will present market commentary on competitive drivers of each reward element including benefits components. Hay Group consultants will highlight any areas where your reward practices are out of line with the market.

For each employer-provided benefit component, Hay Group will provide market commentary outlining the key drivers of your benefits positioning based on market values, costs and prevalence.

<table>
<thead>
<tr>
<th>Area</th>
<th>Market Position</th>
<th>Key Findings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Benefits</td>
<td>P50</td>
<td>Market position is driven primarily by the retirement and health care benefits. Benefits that are a direct function of pay and have a higher likelihood of being utilized determine overall program value. Total benefits value is diminished due to low disability and death benefit program values.</td>
</tr>
<tr>
<td>Health Care</td>
<td>&gt; P75</td>
<td>The client’s low premium contributions and no deductible are the primary drivers of the above market position. Retiree coverage also boosts value.</td>
</tr>
<tr>
<td>Retirement</td>
<td>P75</td>
<td>The client’s 401(k) plan which contributes 12% of total cash is well above market practice of 5% employer contributions.</td>
</tr>
</tbody>
</table>
Our Framework

We draw upon our database of total remuneration practices – the most comprehensive in the U.S. when evaluating the competitive position of a client’s cash, benefits and total remuneration packages against peer groups of their choice. Given our deep understanding and ability to quantitatively value employee benefits, coupled with our thorough understanding of work and how to value pay elements, we are extremely well positioned to assist you in understanding the total value of your organization’s benefits and pay programs.

For more information on how Hay Group can assist your organization in the assessment and management of your Benefit and Total Rewards programs, please contact:

469.232.3800

Hay Group, one of the world’s leading management consulting firms, has helped organizations around the globe achieve their goals by helping leaders transform strategy into reality. With over 2,600 employees working from 86 offices in 48 countries, our understanding of these important issues is built on years of research into motivation and performance, design of jobs and work, and rewards.

Maximizing your ROI in more ways than just one

If your organization has not typically included all elements of your reward program in a previous benchmark study, the Hay Group market observation report offers you a streamlined and affordable solution to maximize the return on consulting dollars as well as the reward investment component. Ideally, this report is a great fit for an organization with a singular benefits program.

Based on the results and findings of the observation report, Hay Group can recommend next steps to ensure your reward strategy is aligned with organizational goals as well as assist your organization in a full service suite of compensation and benefits consulting areas.