



Is it time to think about a new pay strategy?

Covid-19 has brought about a mind shift in how staff engage with their employers and as we have seen the progression towards home and office-based working which at ema we call “blended working”. We have also seen reduction in salaries and bonuses being put on hold, predominately within the private sector.

Covid-19 has seen a seismic shift in employers now trusting staff to work from home. To some extent the last few years with the move to agile working we have seen this progression, but many employers have now seen the opportunity to reduce fixed building costs whilst retaining productivity levels and increased staff morale and motivation, but not in all cases.

The next step will see employers provide increased personalisation in reward and less about actual reward professionals deciding which packages best suit their staff, but employees themselves designing their own personalised packages – similar to that which already exists in flexible benefits solutions.

The growth in companies giving their staff a benefits ‘pot’ that they can control of is already well-proven. This could include being able to choose from a range of options (like flexing up or down pension payments; private medical insurance or holiday days), wellness pots’ – which employees can use to buy services such as yoga, massages, or rehab sessions.

We believe it’s only logical that benefits pots will extend to ‘reward pots’ – where instead of perks that get personalised by staff, it’s pay – like the proportion of their total reward they take as salary, versus performance related pay or versus bonuses or team bonuses etc.

In essence, as the employment relationship continues to shift to be more employee-centric, employees are likely to want more flexibility and options in the creation of their reward packages, introducing more intrinsic reward to the total reward or compensation package. What is likely to happen is that employees will effectively be able to design their own personalised compensation scheme – one that’s unique to them. It will be similar to having their very own ‘reward fingerprint’.

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