

Top Tips: Reward Strategy

- My definition of Reward strategy: An approach to reward based on a set of coherent principles in support of the organisation's aims.¹
- To paraphrase what the Cheshire cat said to Alice, 'If you don't know where you are going, it doesn't matter which way you go.' So, any reward strategy must be based on an understanding of where you are trying to get to, at least the direction.
- Define your terms. This is obvious, but also important: Reward, Total Reward, Values, Behaviours etc. What do they mean in your organisation? Be clear.
- It is too easy to use the rather anodyne phrase, 'to recruit, retain and motivate' to explain your reward programmes. But they do not all do all of these things, so consider which elements do what.
- You need to get the answers to some very simple questions about your reward components, such as:
 - 'What are they each for?'
 - 'How do they relate to each other?'
 - 'What are they meant to do?'
 - 'What messages do they carry?'
- You might also find these questions are important as you consider your reward strategy:
 - Do our reward programmes fit with our business strategy and other HR strategies?
 - How cost effective are our reward programmes?
 - What is the perceived value of reward programmes in the eyes of employees?
- Once you have all the answers you can draft the strategy to fit your corporate standards!

More detail can be found on each of these topics in my book *Reward Management*, published by Kogan Page, May 2022.

¹ See *Reward Management* 3rd edition published by Kogan Page May 2022