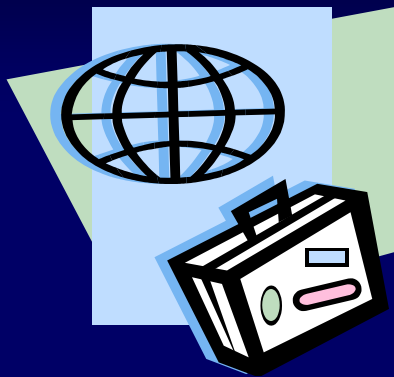


South African Reward Association Conference November 7, 2008



***Around The World With Total
Rewards: The Global
Expedition To Engage Talent***



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Make No Mistake About It: There Is A Global War For Talent --- The Great Expedition!

- It's demographic --- if you're young...
The world is your oyster!
- Global scarcity of high-valued talent
- A mobile workforce...searching for
'something more'!

So What Must Human Resources Do?

As We All Know...



THINK GLOBALLY,

ACT LOCALLY

HOWEVER...

Some Consistent Global Trends In HR...

- Increasing emphasis on *Performance Pay*
- More 'personalization' within Total Reward Strategies --- in general, emphasis on the 'soft stuff'
- Increasing concentration on employee accountability and empowerment

Some General Trends Global Trends In Human Resources...

- Breakdown of the traditional base pay structure
- Less emphasis on internal equity (formal job evaluation), more on external competitiveness
- More variability in the compensation mix for all employees (more pay-at-risk)
- A less vertical, more horizontal 'mindset'
- Increasing emphasis on designing aligned performance management systems
- More concentration on developing a high-quality managerial team

In General, The New Global Employment 'Contract'...

- *“What have you done for me lately?”*
- *“This is not your mother’s company anymore!”*
- Alignment of employees’ personal values with corporate values
- A global workforce ‘mind-set’

Global Human Resources Strategies: Primary Considerations

- Of course, cultural orientation...the perception of work: *“What do you do?”*
- The ‘dance’ between the public and private sector...rock music or ballads
- Generational issues
- Communication transparency

Let's Travel Around The World: The Global Cultural Orientation...

- North America
- Central/South America
- European Union
- Middle East
- Asian Market
- Africa



The Global Cultural Orientation...

■ *North America*

- minimal government workplace intervention
- variable compensation, primarily individual
- emphasis on work/life programs: 'Live to Work'

■ *Central/South America*

- paternalistic orientation
- base pay concentration, some variability
- time off highly valued: 'Work to Live'

The Global Cultural Orientation...

■ *European Union*

- high government workplace intervention
- base pay concentration (some variable)
- strong work rules and organized labor

■ *Middle East*

- traditional/hierarchical
- base pay, minimal variability
- job-based orientation

The Global Cultural Orientation...

■ *Asian Market*

- generally entrepreneurial (notable exceptions)
- variable compensation, must be team-based
- strong work ethic, minimal work/life programs

AFRICA



Overall Global Human Resources Objectives

- Worldwide mobility
- Clear career paths
- Competitive total rewards with clear links to performance and business goals
- Personalized rewards to engage the best and the brightest

Global Human Resources 'Schematics'

- Human resources approaches must be aligned with global business philosophies and goals
- Institutionalize a global human resources 'mindset'
- Consistency must be balanced with adaptability
- Create an effective global human resources delivery model (levels of control and approval)
- Develop precise performance measurement criteria

Global Human Resources 'Guiding Principles'

- Why do you exist? *Your mission and vision*
- Identify your *employee success profile*
- Segment your workforce:
 - Performance Drivers
 - Performance Enablers
 - Legacy Drivers

Then tailor and align your total reward programs

**Global Research
Consistently Shows That
Most Organizations Do A
Poor Job Of
Communicating With Their
Employees.**

WHY????

According To A 2008 Survey Conducted By Right Management Consultants, *Two-Thirds* Of Employees Do Not Know Or Understand Their Employer's Business Strategy And Are Disengaged In Their Jobs!

Another 2008 survey sponsored by WorldatWork concluded that the majority of employees surveyed “have limited understanding of their total reward programs and how they work. In fact, many do not understand aspects of the pay system that directly affect them such as pay ranges, average pay rates and performance targets”.

Three Primary (Mega) Objectives of 'Managed' Communication

- Ensure Understanding
- Get Buy-in/Change Perceptions
- Motivate The Right Behaviors

Tools And Techniques For Effective, Managed Communication...

- We can become more effective communicators by observing and learning from the world around us
- *Who are the most effective communicators in our society...and what can we learn from them?*

Communication Methodology

A Framework For Effective Communication

■ *Step-by-step, managed approach...*

1. Analyze The Current Situation
2. Define The Objectives
3. Establish The Key Messages
4. Conduct The Audience Research
5. Choose The Media
6. Implement The Strategy
7. Evaluate The Communication Program

Seven Steps Guaranteed To DIS-ENGAGE Your Talent And Send Them Fleeing From Your Organization

1. Be sure no one quite knows what his/her job is
2. Keep selection criteria and career paths vague
3. Insist on a one-size-fits-all total reward strategy
4. Be vague about how successful performance is defined and measured
5. Keep salary ranges, increase percentages, variable compensation guidelines, and most components of total rewards secret
6. Surprise employees with a bigger paycheck or lump-sum award
7. Be defensive when asked to explain and defend human resources and total rewards actions