ITEM NO: 7d supp

DATE OF
MEETING: June 28, 2011

Total Rewards Philosophy Briefing

Total Rewards Philosophy

- What is total rewards
- Advantages of a total rewards philosophy
- Total rewards model
- Elements of the total rewards model
- Developing the total rewards philosophy
- Next Steps

What is Total Rewards

- Historically, total comp was pay + benefits (health care, pension, time off)
- Currently, total rewards has expanded to include a broader array of programs
- Total rewards programs vary by organization, and so do total rewards definitions

Total Rewards Philosophy - Advantages

- Broad definition – applies to all employee groups, facilitates consistency

- Flexible – guides decisions through all business phases and economic times

- Strategic method for attracting, retaining, and motivating employees to engage in achieving Port goals

- Consistent framework for holistically managing the array of total rewards

Advantages - continued

- Connected to other topics
  - Salary and Benefits Resolution
  - Collective bargaining agreements
  - Payroll related budget discussions
- Beneficial in multiple areas
  - Strategic Planning
  - Audits
  - Managing pay and benefit programs
  - Labor contract negotiations
  - Internal and external communications

Modeling Total Rewards

- Total rewards packages vary by employer
- Important to model the organizations package
- Models visually represent the package
- Models facilitate communication to employees, and prospective employees
- Based on the organization's
  - Mission
  - Values and culture
  - People and business strategies

Total Rewards Model
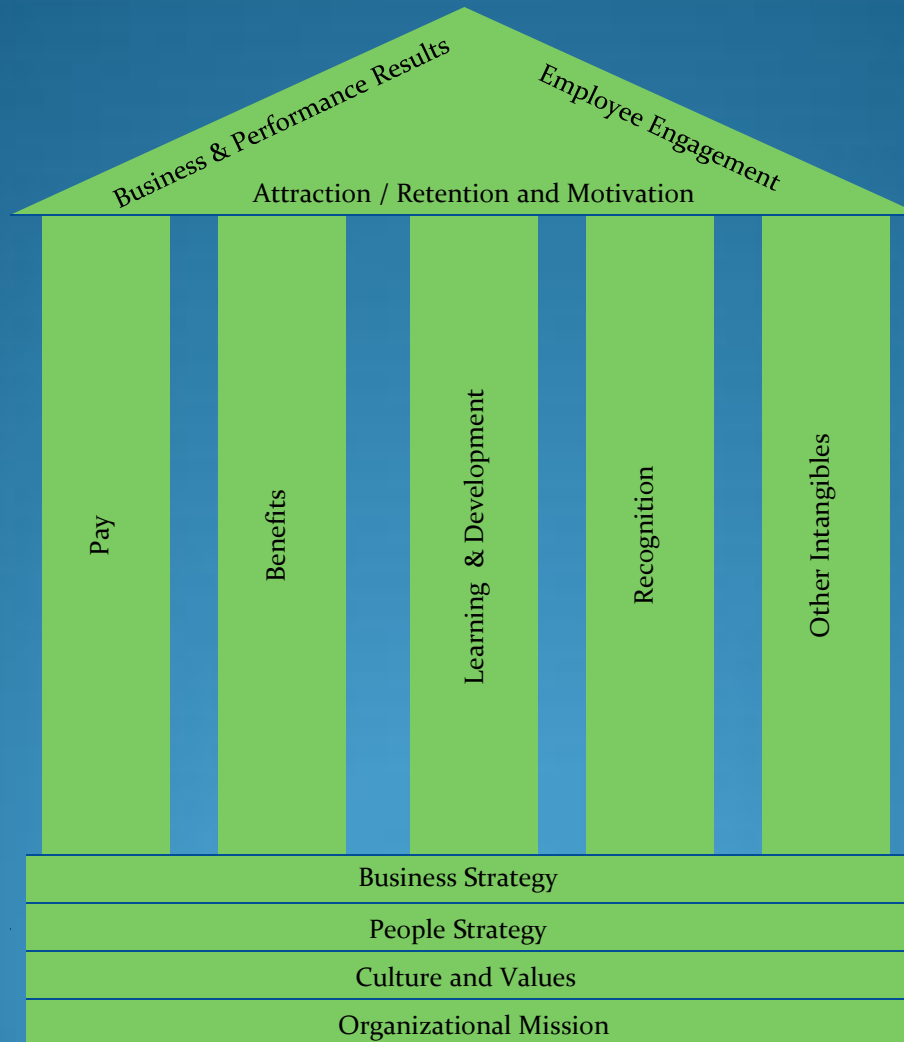
Elements of Total Rewards

- Pay
  - Base pay
  - Base pay increases
- Benefits
  - Port funded, fully or partially
  - Employee funded
  - Mandated
- Learning and Development
  - Learning calendar
  - Leadership development programs
  - Seminars, conferences, external training opportunities

Elements - continued

- Recognition
  - Service awards
  - Retirement recognition
  - Other recognition
- Other Intangibles
  - Opportunity for public service
  - Opportunity for community involvement
  - Work location
  - Interesting work
  - Employee networks

Developing a Total Rewards Philosophy

- Model the current total rewards package
- Information about future work
- Information about <u>what</u> total rewards will attract, motivate and retain now and in the future
- Information about <u>how</u> total rewards will attract, motivate and retain now and in the future
- Together this will inform a total rewards philosophy

Next Steps

- Gap analysis – how does current total rewards model compare to the philosophy
- Strategies and plan for aligning total rewards programs with the philosophy
  - Depending on the number and size of the gaps this could be a 3 to 5 year process
- Future Commission briefings as work progresses

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