

# How a Total Reward Statement Builds Employee Trust



AUTHOR: JONATHAN BEST



A total reward statement is a breakdown of an employee's total compensation and rewards package. It includes everything from their base salary and bonuses to pension contributions, health insurance, vacation days and other non-financial rewards.

Enterprises use total reward statements to demonstrate the full value of a rewards package to employees. But you can also use them to drive employee engagement and, in particular, build employee trust.

Building trust is essential for a happy, productive company. "Employees in high-trust organizations are more productive, have more energy at work, collaborate better with their colleagues, and stay with their employers longer than people working at low-trust companies," writes [Paul J. Zak](#), founder of Immersion Neuroscience and a professor at Claremont Graduate University. "They also suffer less chronic stress and are happier with their lives, and these factors fuel stronger performance."

Here are three ways a total reward statement builds employee trust.



## Highlight Just How Much Companies Value Employees

Appreciated employees feel valued, says executive leadership coach [Lolly Daskal](#). “And when people feel valued, they’re more likely to go above and beyond for the organization,” she writes. “They’re quicker to hold themselves accountable for their part of a project. Most importantly, they’re happier in their roles, which means they’re less likely to leave.”

They’re also more likely to trust the company. “When employees feel protected, valued, and cared for, their sense of security and loyalty increases,” writes [Corinne Prevost](#), a client service representative at Montridge Advisory Group. “And as any HR manager knows, a healthy, stable, and satisfied workforce is essential to your company’s bottom line.”

But how can employees feel appreciated and trust their employer when they don’t understand their benefits and rewards?

The trouble is that the information on a pay stub only goes so far, says tech writer [Pamela](#)

[DeLoatch](#) in an article at HR Dive. It may include salary, bonuses and pension contributions, for instance, but there are plenty of other ways your company rewards workers that it doesn’t mention. A company car may be obvious, but things like flexible work and gym membership may be “overlooked or forgotten.”

A total reward statement solves this issue by helping employees see precisely how much your company values and rewards them. Not only do they see a list of all the rewards available, but there is also a dollar value placed against each one. As a result, the value of their entire rewards package becomes far greater than their salary.

A total reward statement can be even more powerful for employees who value other things over salary. Someone at the start of their career may appreciate seeing how much a company is investing in their training — and they’ll trust the company a lot more as a result.

# Be Transparent About Pay and Rewards to Build Employee Trust

“One of the best ways to build trust in a workplace – and make employees feel safe – is through transparency,” writes journalist [Michele McGovern](#) at HRMorning. It is a vital building block of trust in any modern business.

Yet transparency is almost always lacking when it comes to pay and rewards. Not only do employees rarely know the value of their own rewards package, but there’s next to no transparency on the rewards of other employees within their company or on compensation-based equity initiatives like closing the wage gap.

Companies don’t have to adopt an official policy of pay transparency per se to increase both transparency and trust. Creating total reward statements will often be enough for a couple of reasons.

One, the simple act of listing total rewards and making them easy to understand may be enough to show employees the company takes a fair approach to pay and rewards.

Second, companies can use the insights that total reward statements provide to remove unconscious bias and improve pay equity. Pay inequality isn’t always obvious, especially if you are only looking at salaries. Seeing the full value of total rewards, however, can make bias much more obvious and thus easier to eradicate. It will also make reporting on pay inequality easier.



Being seen to make an effort when it comes to initiatives like diversity, equality and inclusion is excellent for building trust, according to Deloitte’s [Kavitha Prabhakar, Christina Brodzik, Darren M. Gest and Nicole Nodi](#). But, “when stakeholders, including workers, perceive an organization as lacking the ability to execute its DEI strategy, or the accountability to fulfill its commitments, their trust in the organization can dwindle,” the authors write.

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## Open the Door to More Conversations

Once you build a total reward statement, you create a situation where you can have a conversation with employees about their rewards.



This kind of talk can be extremely beneficial for building employee trust, says **Loren Margolis**, an executive coach and instructor at Stony Brook University. She adds that one of the most overlooked strategies for building trust is simply speaking to employees and finding out what's important to them. "Ask! Inquire what is most important to your employees for building trust, ask how they prefer to be recognized, find out how they like to receive feedback and prefer to communicate. Acknowledging and acting upon their preferences will build trust."

In many cases, this can lead to the personalization of rewards, making employees feel even more valued and trust the company more. Depending on your total rewards management platform, you may even be able to let employees personalize their rewards themselves.

These conversations also help HR executives to better understand their rewards scheme, improve it and deliver better ROI, says **Jonathan Best**, an account director at uFlexReward. "By requesting granular feedback on each reward program from employees, measurable and actionable insight across sentiment, effectiveness and satisfaction can be understood by HR and executives," he writes. "This moves organizations towards the holy grail of understanding ROI in that reward investment. If significant percentages of employees are telling you they do not value a particular reward program, that's a waste in spend."



In an ideal world, the depth, breadth and competitiveness of your total reward scheme alone would create employee trust. But we don't live in an ideal world. That's why enterprises must create total reward statements that demonstrate value, increase transparency and promote clear communication.