

# McLagan Presents

## Do You Know Where Your Incentive Plan is Falling Short?

Designing a comprehensive incentive plan that will help a firm accomplish its goals, requires an approach that takes all stakeholders into account and supports the firm's overall vision. An incentive plan should:



### **Align** to the business strategy, core values, and team goals

Have a deep understanding of your firm's core objectives and how each unit, team, and individual helps to achieve them.

### **Drive** performance and behaviors

Employee goals should have a clear line-of-sight and be within reach.

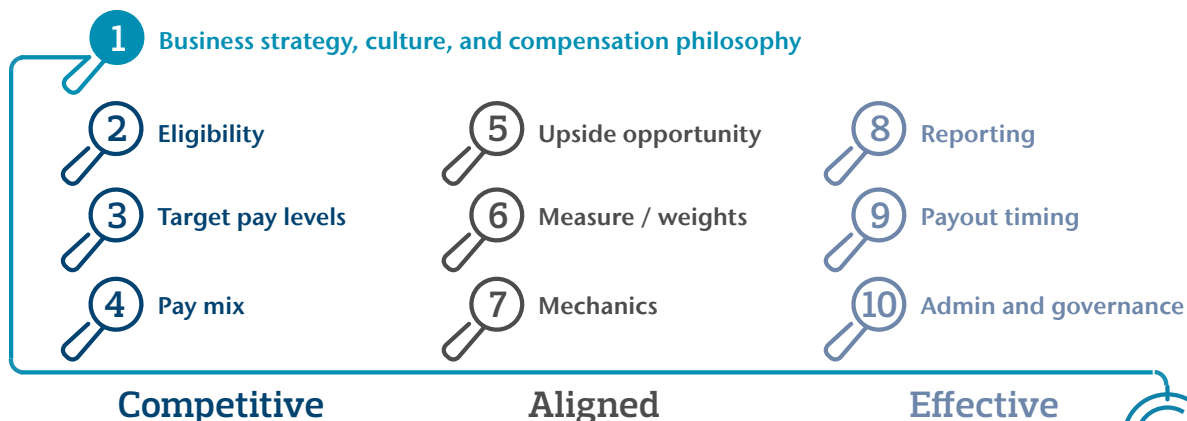
### **Simplify** management and communication

Make it easy for employees to understand how the plans work so they can anticipate their rewards for various levels of effort.

### **Be competitive** in the evolving war on talent

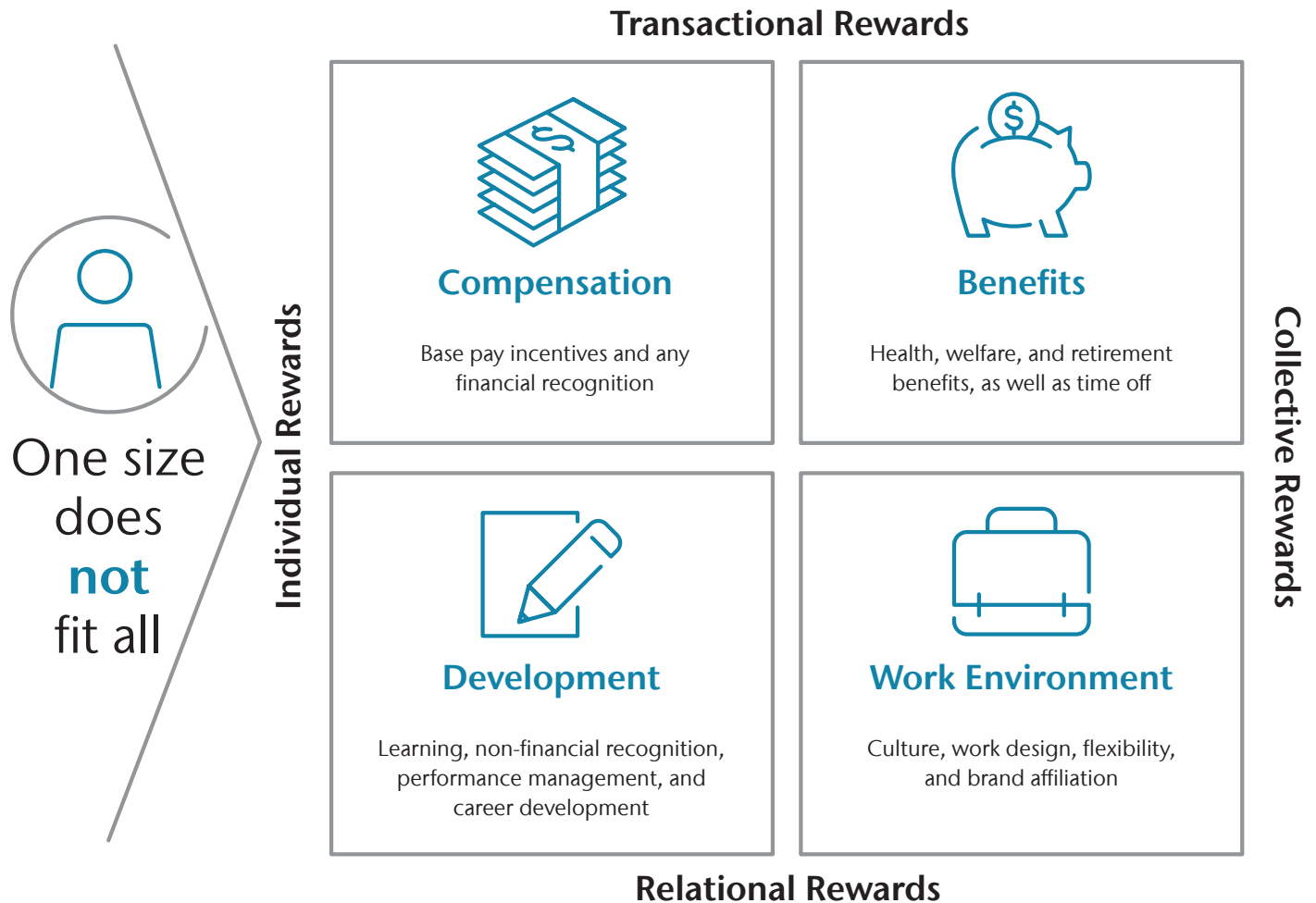
Having an appropriate mix of fixed and variable rewards elements is critical. Make sure your total compensation levels are competitive to attract and retain skill-specific staff needed to fulfill emerging technology demands.

Incentive design encompasses elements that range from highly strategic to highly operational—and all are important. Having multiple stakeholder points of view around the components listed below is essential for variable pay.

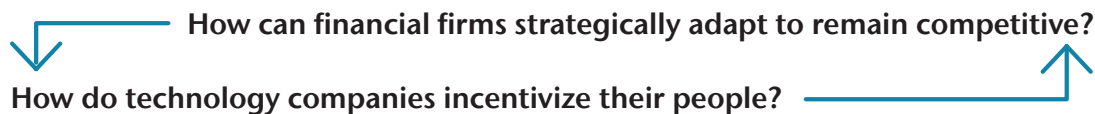


**Our world is changing fast, and your compensation strategies must change with it.** Rewarding your people isn't just about pay. Firms must now embrace the whole picture—one that includes competitive monetary benefits, in addition to strong cultures, flexible work environments, development opportunities, and other perks to support the firm's employee value proposition.

## Companies are Thinking About Total Rewards Differently



These developing topics across financial services require thoughtful approaches that don't happen overnight. So, don't just jump straight to rewards. Instead, approach your firm's human capital strategy with an open, holistic mindset that looks beyond the confines of traditional industry practice.



Considering these kinds of questions will allow you to determine the implications and impacts of any changes that occur and pivot along the way.

To learn more about employee rewards, developing effective incentive plans, and **preparing your financial services firm for year-end**, please contact [info@mcclagan.com](mailto:info@mcclagan.com) or your McLagan relationship manager.