

# Total Rewards Transparency: The Hidden ROI Employers Are Missing

Salary is only one part of compensation. Benefits like retirement contributions, health coverage, insurance, paid leave, and financial wellness programs can add significant value—yet many employees don't see the full picture. When employees don't understand their total rewards, they may feel underpaid or look for opportunities elsewhere.

Total rewards transparency helps close this gap. By clearly communicating compensation and benefits, organizations help employees recognize the full value of their support. In this guide, we explore the hidden ROI of total rewards transparency and practical ways employers can communicate rewards more effectively.



## The Hidden Cost of Poor Rewards Communication

When employees do not understand their total rewards, organizations lose an important opportunity to strengthen engagement and retention. Employees who underestimate their compensation are more likely to believe they could earn significantly more elsewhere.

This perception can lead to:



### Higher Employee Turnover Rates

When employees underestimate the value of their total compensation, they may believe they are underpaid. This perception increase the likelihood that they explore other job opportunities.



### Increased Employee Financial Stress

When employees do not fully understand their compensation and available benefits, they may miss resources designed to support their financial wellbeing.



### Reduced Benefits Utilization Rates

Employees who do not fully understand their benefits are much less likely to take advantage of them. When benefits are poorly communicated, employees may overlook them.

# The Business Case for Employers (Impact & ROI)

Organizations that improve transparency around compensation and benefits often see measurable business benefits. When employees clearly understand the full value of what their employer provides, they are more likely to feel supported, valued, and fairly compensated. Transparent communication helps employees connect their salary, benefits, and workplace support into one complete picture. For employers, these improvements can be seen in several key areas:



## Employee Performance

When reward structures are clearly communicated, employees can align their efforts with organizational goals. Transparent communication around pay and benefits helps employees clearly understand the full value of their total rewards package. IRF Research shows that **73.5% of organizations link non-monetary rewards programs to improved employee performance.**



## Employee Retention

Clear communication about pay and benefits reduces misconceptions and helps employees recognize the full value of their rewards package. This matters for employee retention because **organizations with strong total rewards strategies are 5x more likely to retain key employees** compared with organizations with less developed rewards programs.



## Positive employer branding

Transparent organizations build stronger trust with employees and candidates. **Employees who perceive their compensation as fair report higher job satisfaction and stronger organizational commitment,** reinforcing how transparent rewards practices can strengthen an employer's reputation among its workforce and next top candidates.



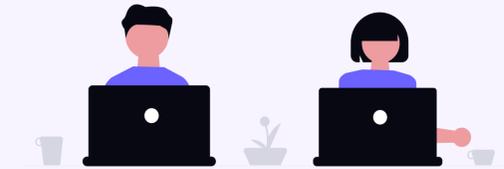
## Employee Financial Wellness

Research shows that **68% of organizations include retirement and financial well-being benefits in their total rewards packages.** Greater transparency helps employees see how benefits support their long-term financial well-being, leading to higher employee financial wellness, job productivity, and job satisfaction among employees.



## Benefits utilization

IRF Research shows that **68% of organizations include retirement and financial well-being benefits in their total rewards packages.** Greater transparency helps employees see how benefits support their long-term financial well-being, leading to higher participation and stronger outcomes from employer benefits investments.



## Workplace trust and culture

IRF Research has found that **approximately half of top-performing organizations expect incentive and rewards programs to positively impact organizational culture.** When organizations openly communicate how compensation and benefits work, employees are more likely to feel the company is fair and supportive.

## Sources

HR.com. (2024). HR.com's future of compensation and total rewards 2024-2025. [https://www.hr.com/en/resources/free\\_research\\_white\\_papers/hrcoms-future-of-compensation-and-total-rewards-20\\_mih7c8yx.html?s=df0f5df0-76bd-40a0-8035-c61db28ab947](https://www.hr.com/en/resources/free_research_white_papers/hrcoms-future-of-compensation-and-total-rewards-20_mih7c8yx.html?s=df0f5df0-76bd-40a0-8035-c61db28ab947)

Incentive Research Foundation. (2023). Total rewards top performer study. [https://theirf.org/research\\_post/total-rewards-top-performer-study/](https://theirf.org/research_post/total-rewards-top-performer-study/)

**"Hidden benefits create invisible ROI. Transparency turns compensation into measurable ROI. When employees clearly understand the value of their pay, benefits, and employer contributions, they are more likely to feel valued, engaged, and motivated to connect or stay with the organization."**



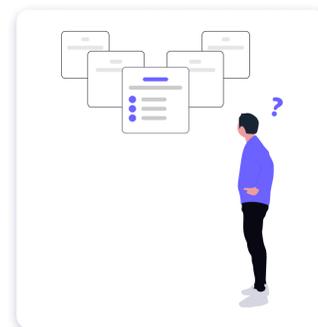
# Why Employees May Misunderstand Their Total Rewards

The problem is rarely the benefits themselves. The problem is communication. Many organizations offer strong benefits packages but fail to clearly explain them to employees. As a result, employees often overlook valuable components of their compensation. Common challenges include:



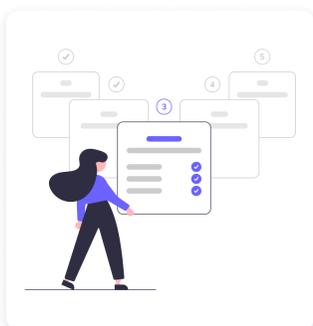
## Complex Benefits Language

Benefits information is often filled with technical terms and industry jargon. This can make it difficult for employees to clearly understand what their benefits include.



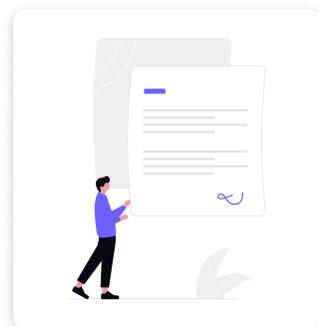
## Scattered Sources of Information

Benefits details are often spread across different portals, documents, and HR platforms. When information is fragmented, employees may struggle to see their total rewards.



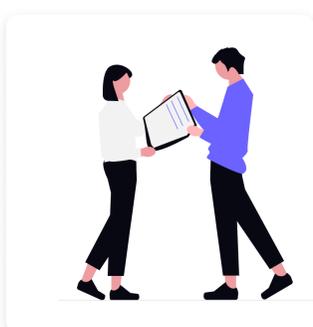
## Overwhelming Enrollment Materials

Benefits enrollment documents can be lengthy and complex. When employees are presented with too much information at once, they may ignore or misunderstand key details.



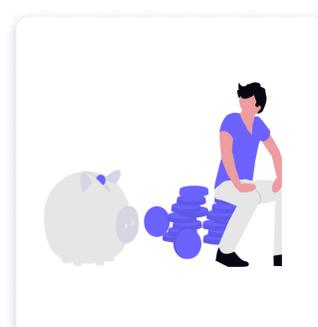
## Limited Visibility of Employer Contributions

Employees may not realize how much their employer contributes toward their benefits. Without seeing these contributions clearly, they may underestimate the true value of their compensation.



## Infrequent Benefits Communication

Many organizations only discuss benefits during annual enrollment periods. Without regular communication, employees may forget or overlook valuable resources available to them.



## Lack of Financial Literacy Access

Many employees have never received formal financial education. Without basic financial knowledge, it can be challenging to understand retirement plans, insurance coverage, and other benefits.

## Total Rewards Transparency is about:

Total rewards transparency helps employees clearly understand the full value of what they receive from their employer, beyond just their paycheck.



### Showing the full value of compensation clearly

Employees can see how salary, bonuses, and employer-paid benefits combine into their total compensation. This helps them recognize the full financial value of their employment.



### Making benefits easy to understand

Clear communication simplifies complex benefits like health coverage, retirement plans, and insurance. Employees are more likely to appreciate and use benefits when they understand them.



### Highlighting the employer's investment in employees

Transparency reveals how much organizations contribute to benefits, retirement savings, and wellness programs. This helps employees see the true level of support provided by their employer.



### Helping employees make better financial decisions

When employees understand their rewards, they can use benefits more effectively. This improves financial confidence and supports long-term financial wellbeing.

# What Total Rewards Actually Include

Total rewards represent the full value employees receive from their employer, not just salary. A transparent rewards strategy helps employees understand the complete picture of compensation and support. When employees see the full scope of these benefits, they gain a clearer understanding of their employer's investment in them. A modern total rewards package may include several components:



## Base Salary

This is the foundation upon which everything else sits, and usually the part that employees care most about.



## Equity Programs

RSUs, ESPPs, ESOPs, SARs, and a whole load of WTFs from employees!



## Variable Pay

Sales team pay attention! This one includes commissions, bonuses, profit-sharing and other financial incentives.



## Education & Training

Most employees are desperate to up-skill and improve their education, but getting access to the training budget can be tricky.



## Pension Plans

Employers can go beyond the mandated contribution plans and offer additional pension benefits.



## Health, Dental & Vision

Commonly lumped together, but not always comprehensive, health benefits are often closely scrutinized by employees.



## Wellness Programs

Yoga and gym memberships aside, there are many other wellness initiatives such as mental health and stress counselling.



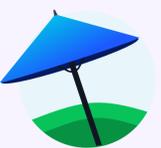
## Company Perks

A major factor for many employees, this includes food, discounts, transport, even on-site gyms if you are lucky!



## Career Progression

Employees want to know what opportunities they have available to them in their career development.



## Time Off

Vacation days, maternity leave, recharge days, the amount of time off you get is a huge consideration for most employees.



## Life Insurance

A common addition in company benefits, life insurance can provide critical financial protection for employees and their families.



## Work-Life Balance

Flexibility around working hours, location and annual leave is big deal. We all deserve a bit of balance every now and then.

*"Building transparency requires a structured and ongoing communication strategy. Small improvements in communication, technology, and accessibility can significantly improve employee understanding and appreciation of total rewards.."*

Antonio Zivanovic, ElektraFi CEO



# Discover our solutions for employers

## Total Compensation & Rewards

### Recruit and retain top talent with clear total employment offers

Go beyond simple compensation to attract and retain top talent by offering transparent total compensation packages that highlight the full value of your total benefits and rewards.

Employee engagement tools available:

-  Total Comp & Rewards
-  PDF Statements
-  Benefits Engagement



## Financial EAP Solutions

### Give your employees access to impartial financial advice

Provide your employees with unbiased financial advice, ensuring they receive expert guidance tailored to their unique needs, without any sales pitch.

Available enhancements to your EAP:

-  Personalized CFP Advice
-  Future Health Planning
-  Financial Guidance



## Financial Well-being Platform

### Provide your employees with life-changing financial tools

Equip your employees with financial well-being tools that empower them to manage their finances, set goals, and stay on track toward a secure future.

-  Well-being Insights
-  Goals Planning
-  Progress Tracking
-  AI & Health Nudges

