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VOLUME 14 ISSUE 1

HOME
Contact Us

In This Issue

Creating Pay-For-Performance Without Breaking The Bank

Total Health Management: The Future of Health Care Cost Management?

Rewards of WorkSM: Sibson's Model and Survey

Results of Reader Opinion Survey

New National Retirement Practice Leader Named

Segal/Sibson Publications of Interest

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Results of Reader Opinion Survey

Managing the high cost of health coverage continues to be a challenge; the war for talent is still raging; and developing effective leaders remains a top priority, according to *Perspectives'* readers. At least one-third of the 150 respondents to the Reader Opinion Survey conducted earlier this year rated each of the following issues as extremely important (*i.e.*, among the highest priority issues for their organizations), making them the top five high-priority issues:

- Managing the rising cost of medical and prescription drug coverage, which was rated extremely important by almost half (49 percent) of respondents, the highest extremely important ranking for any of the issues in the survey,
- Attracting and retaining employees in the face of competition for talent, which 37 percent of respondents indicated was extremely important,
- Developing leadership talent, selected as extremely important by 36 percent of respondents,
- Making sure leadership is effective at all levels of the business, which was rated extremely important by 34 percent of respondents, and
- Connecting pay to performance, which 32 percent of respondents indicated was extremely important.

These five issues were selected by at least two-thirds of survey respondents as being either extremely important *or* very important, indicating that they are either currently among the highest priority issues for their organizations *or* that their organizations are devoting considerable time and resources to addressing them.

To see graphs showing the percentage of respondents who selected each rating for the issues in the survey, click on the categories below:

- **[HR's Strategic Role](#)** Every issue in this category was selected as being either extremely important or very important by at least half of the survey respondents.
- **[Recruitment, Talent Development and Workforce Performance](#)** At least half of the survey respondents rated almost all of the issues in this category as either extremely important *or* very important to their organizations.
- **[Employee Compensation](#)** Most (five out of seven) issues in this category were rated extremely important or very important by at least half of the survey respondents.
- **[Executive Compensation and Leadership Effectiveness](#)** Although three of the five issues in this category were rated extremely important *or* very important by at least half

Archive

November 22, 2005

Vol. 13 Issue 3

August 1, 2005

Vol. 13 Issue 2

April 18, 2005

Vol. 13 Issue 1

January 12, 2005

Vol. 12 Issue 4

October 6, 2004

Vol. XII Issue 3

July 1, 2004

Vol. XII Issue 2

April 1, 2004

Vol. XII Issue 1

January 5, 2004

Vol. XI Issue 4

September 30, 2003

Vol. XI Issue 3

June 30, 2003

Vol. XI Issue 2

March 31, 2003

Vol. XI Issue 1

December 31, 2002

Vol. X Issue 4

September 30, 2002

Vol. X Issue 3

June 27, 2002

Vol. X Issue 2

March 27, 2002

Vol. X Issue 1

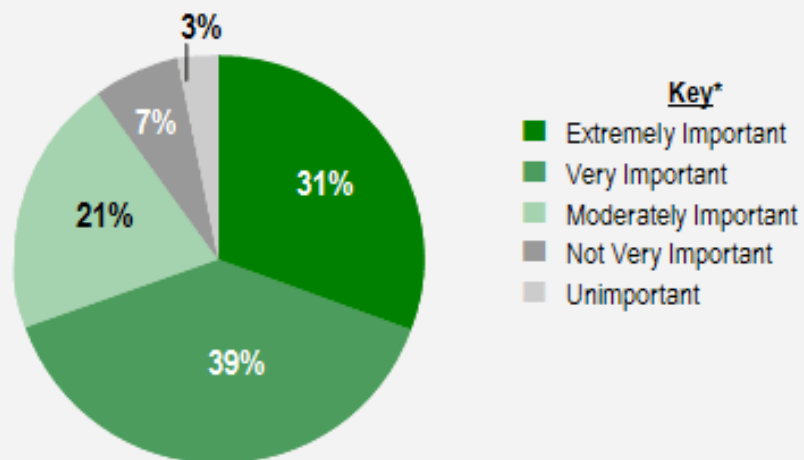
of the survey respondents, interestingly, the other two — determining the role executive stock ownership should play in driving business and executive compensation objectives, and responding to shareholder demands that executives be rewarded on measurable performance outcomes — were rated unimportant by 36 percent and 31 percent, respectively, of respondents.

- **Health Benefits** In addition to managing the rising cost of medical and prescription drug coverage (an issue which 76 percent of respondents indicated as being extremely important or very important) more than half of respondents selected health metrics (analyzing health data to determine where to target cost management initiatives) as being extremely important or very important. The importance ratings for cost management strategies, such as wellness and disease management programs and offering CDHPs, were not as high.
- **Retirement Benefits** The only pension issue to be deemed extremely important or very important by at least half of respondents was coping with increased pension costs, volatile investment markets and regulatory complexity for retirement plans.
- **Administration and Technology Issues** The only issue in this category to be deemed extremely important or very important by at least half of respondents was improving HR technology to allow more employee self-service.
- **Investment Issues** Larger percentages of respondents rated each of the investment issues as either unimportant or not very important than rated them extremely important or very important.

Segal/Sibson thanks those who participated in the survey for sharing their perspectives on current hot topics. The survey results will guide us as we plan future issues of *Perspectives*. Our goal is to bring to your attention approaches and solutions that can help you claim some crucial victories in the war for talent, as well as in those battles against shrinking merit budgets and rising health care costs.

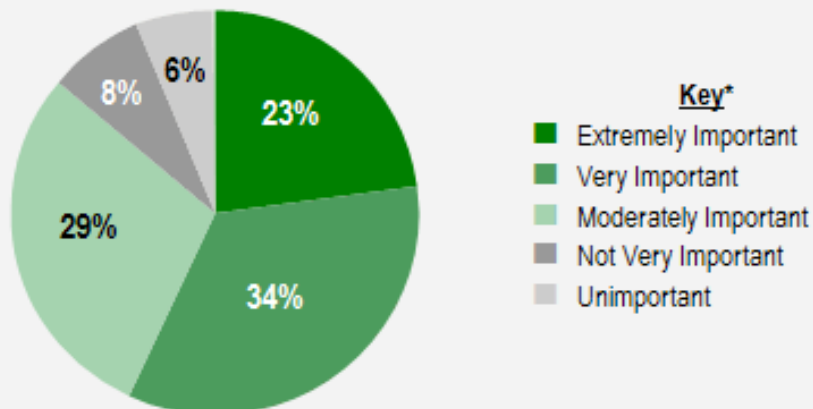
HR's Strategic Role

Ensuring that our "People Strategy" Supports the Business Strategy



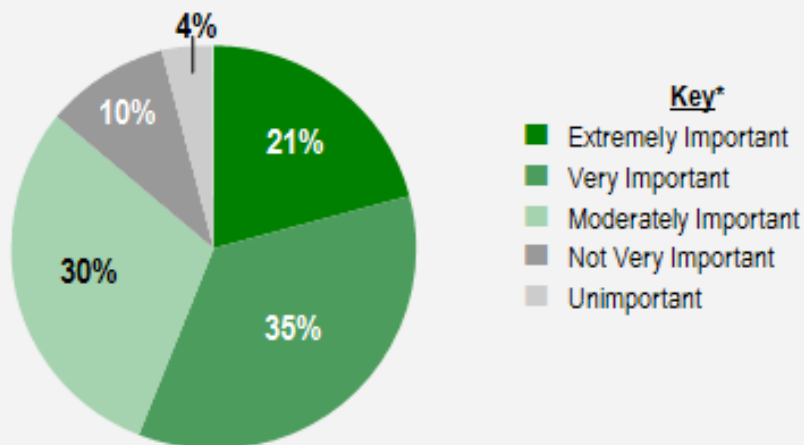
Notes: 146 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Defining HR's Role as a Strategic Partner



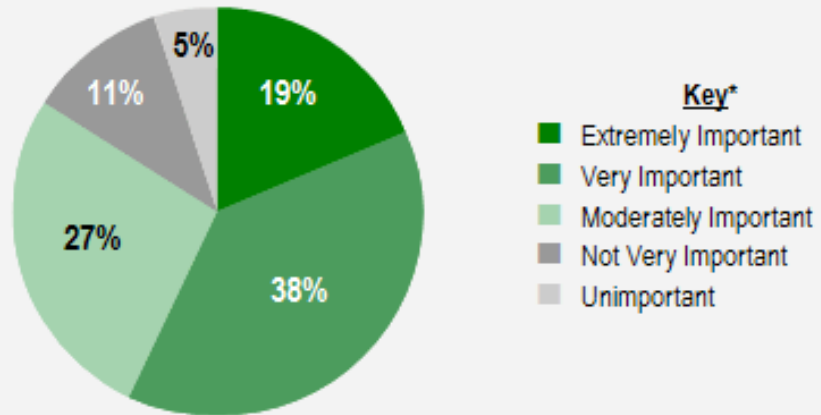
Note: 145 respondents answered this question.

Getting the Right Metrics for HR



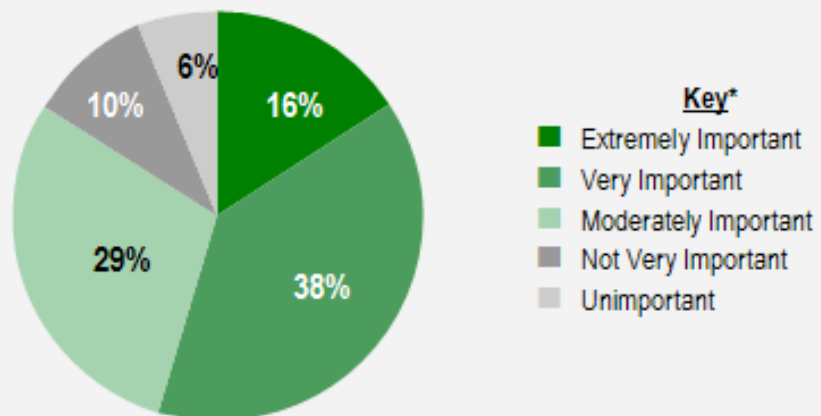
Note: 145 respondents answered this question.

Improving the Organization's Ability to Execute HR Programs Effectively



Note: 146 respondents answered this question.

Upgrading HR Skill Sets and Talent



Notes: 146 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

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Extremely Important = "This issue is currently among the highest priority issues for my organization."

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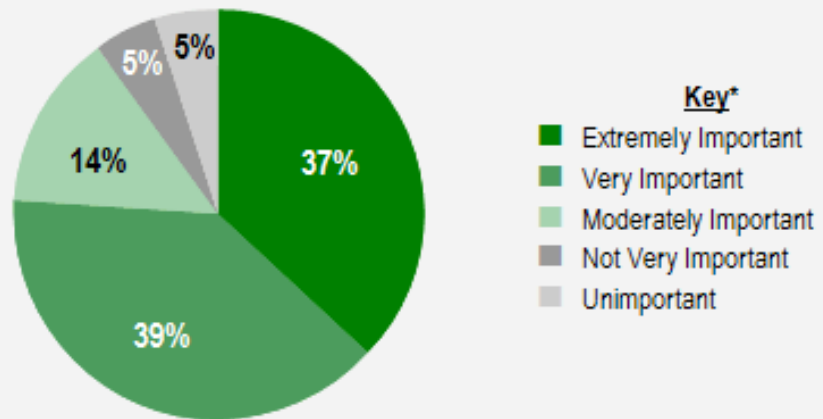
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Unimportant = "This is not an issue for my organization."

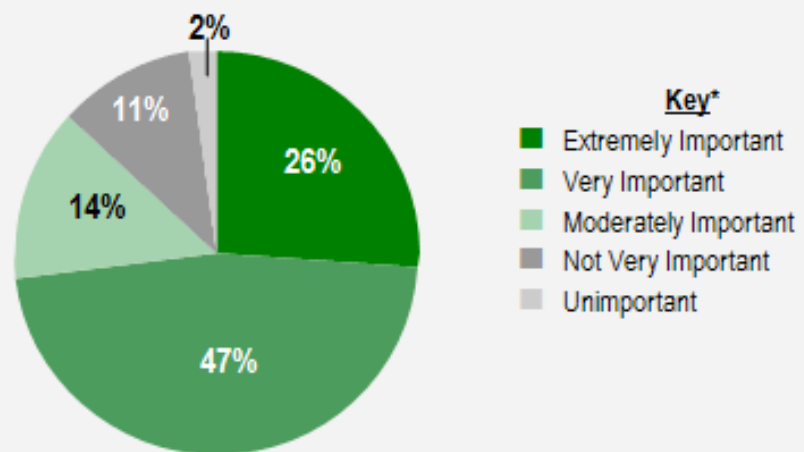
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Recruitment, Talent Development and Workforce Performance

Attracting and Retaining Employees in the Face of Competition for Talent

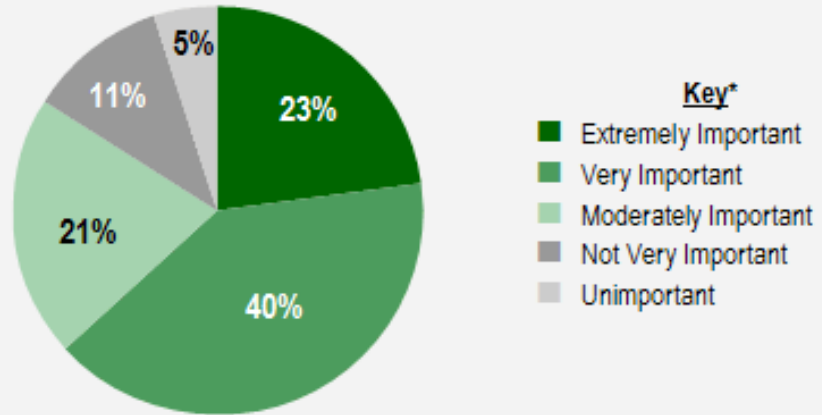


Being Able to Attract and Select Enough New Talent

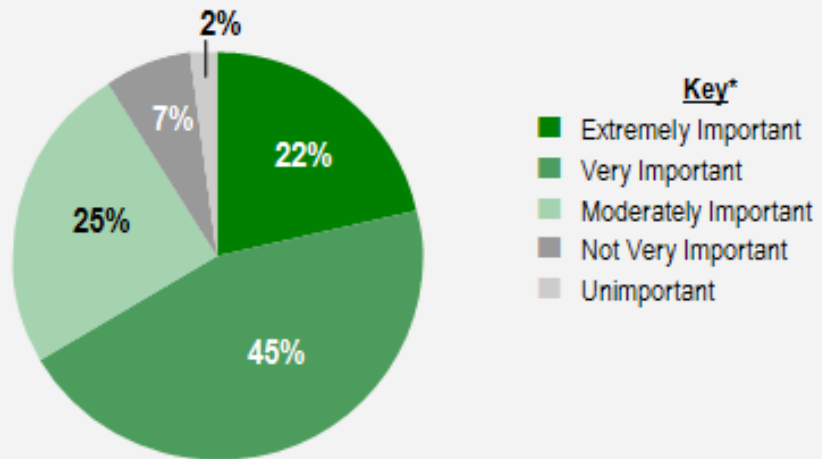


Note: 149 respondents answered this question.

Succession Planning for Key Positions

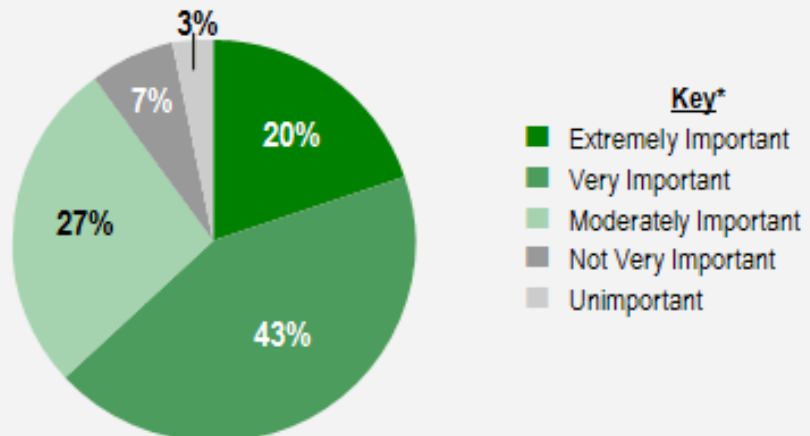


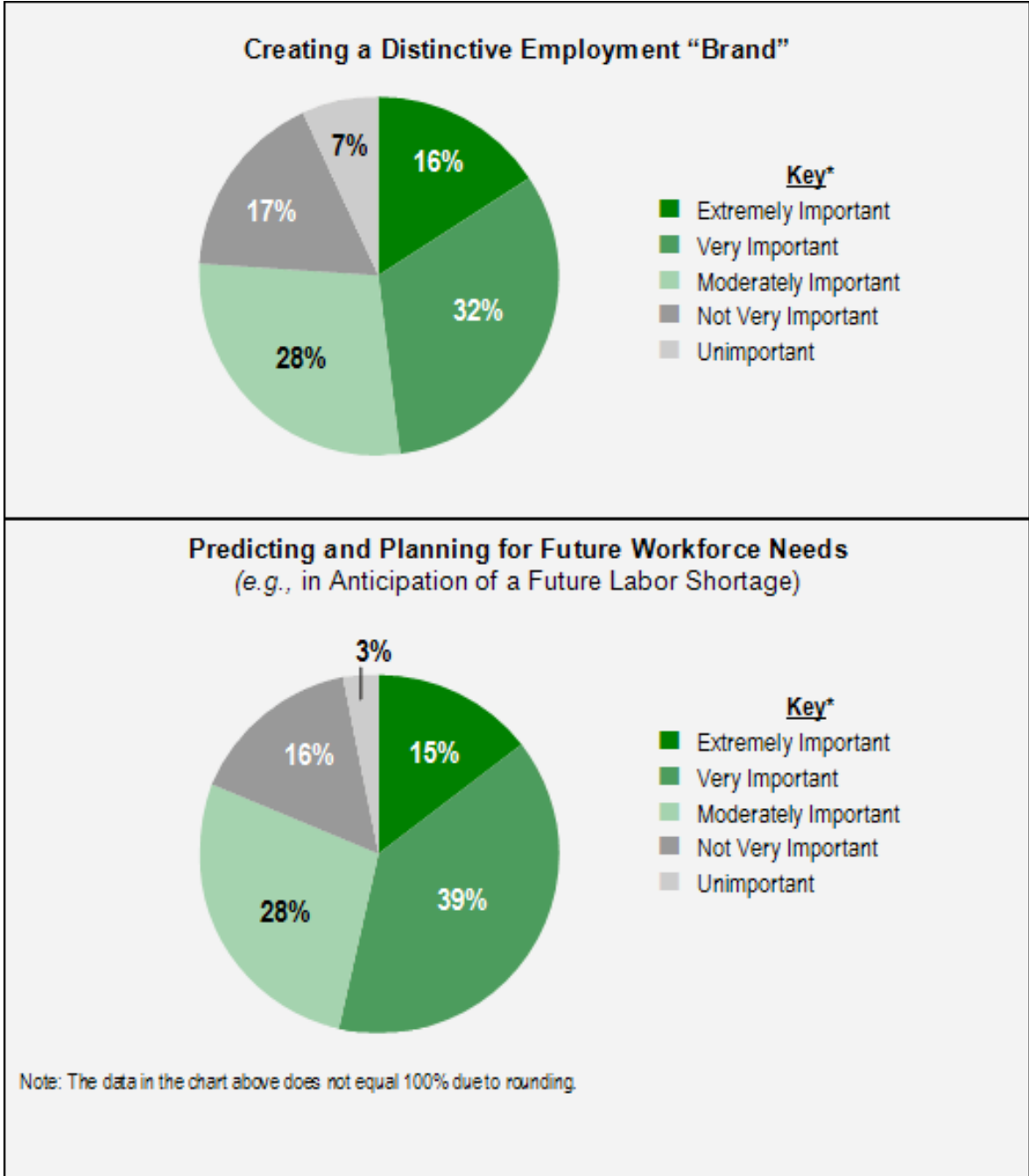
Improving Productivity and Managing Performance of the Workforce



Notes: 148 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Creating and Implementing Effective Performance Management and Measurement Plans





*The survey defined the level of importance as follows:

Extremely Important = "This issue is currently among the highest priority issues for my organization."

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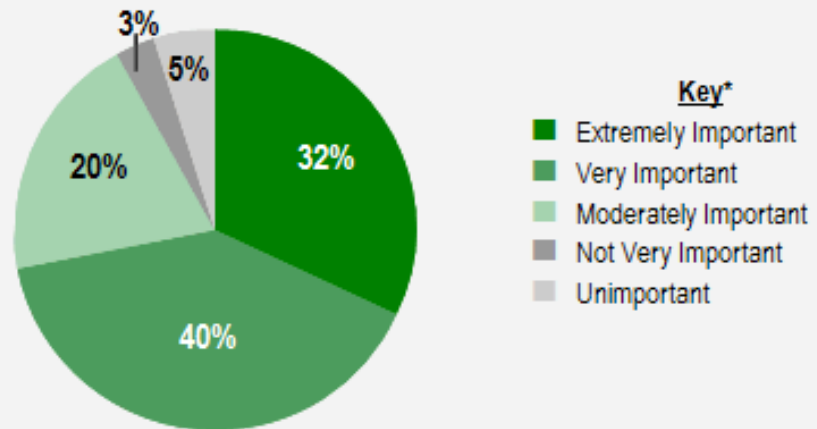
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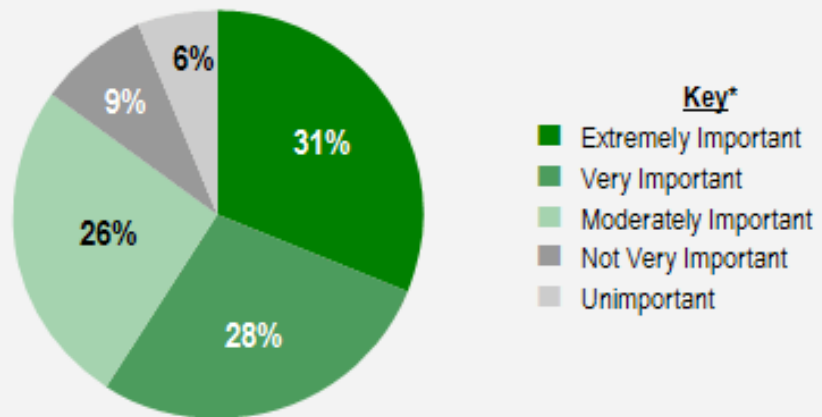
Employee Compensation

Connecting Pay to Performance



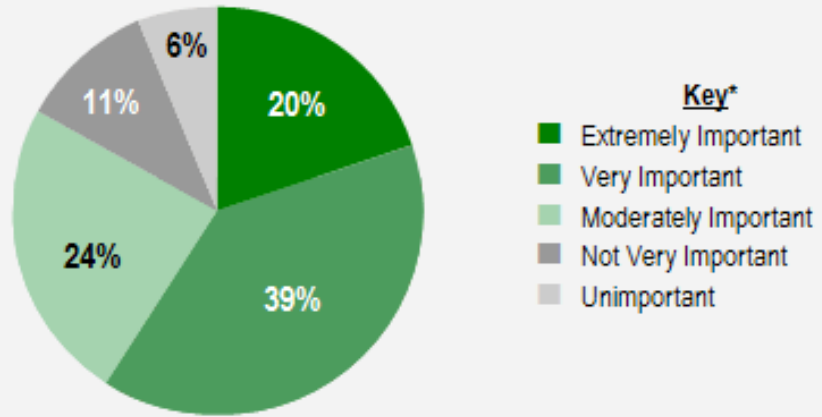
Note: 149 respondents answered this question.

Reducing the Entitlement Mentality



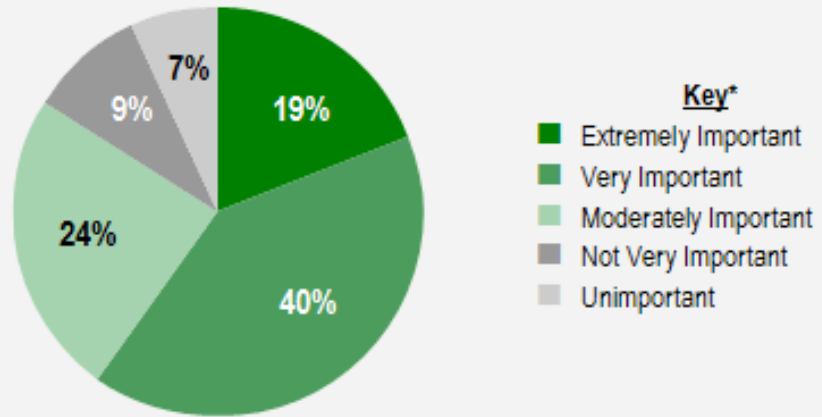
Note: 148 respondents answered this question.

Ensuring Incentive and Recognition Programs Effectively Motivate and Reward



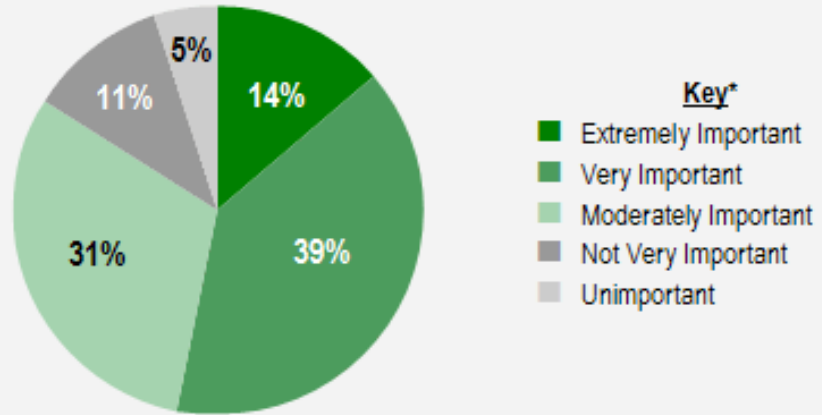
Note: 148 respondents answered this question.

Making Merit Pay Matter with Small Budgets



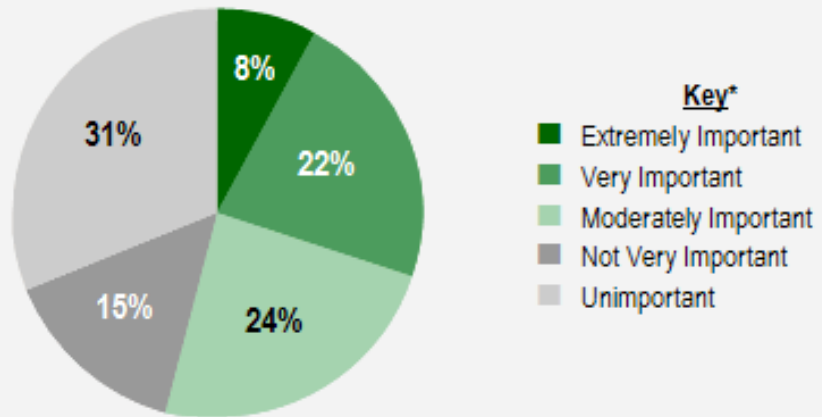
Notes: 149 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Benchmarking Compensation

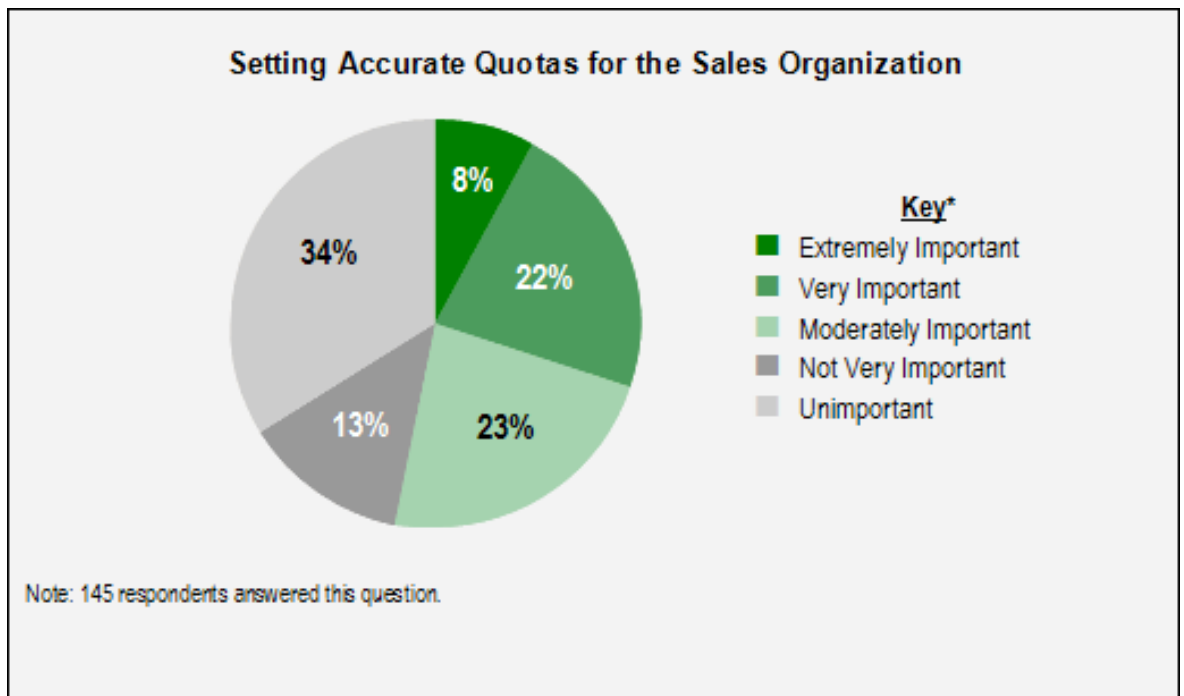


Note: 147 respondents answered this question.

Calculating the Compensation Cost of Sales



Note: 144 respondents answered this question.



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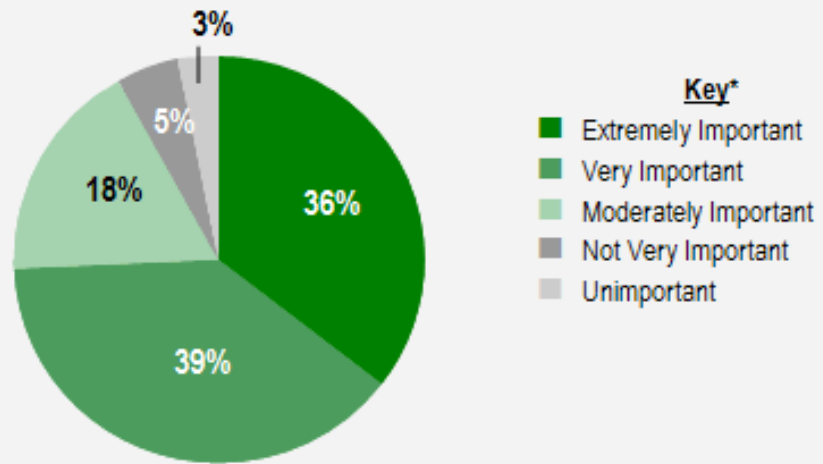
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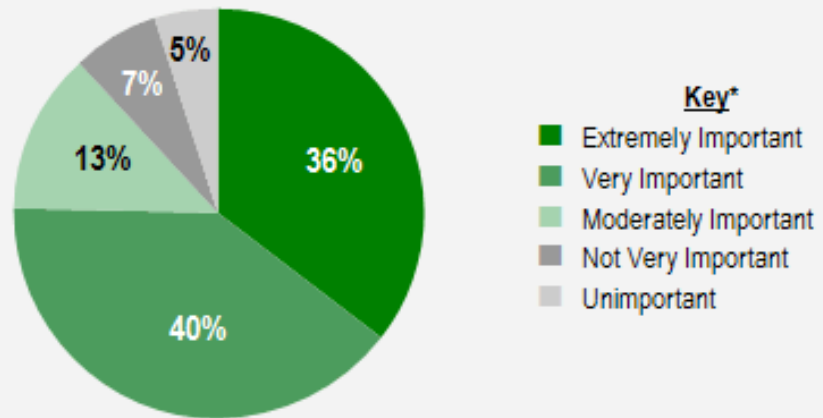
Executive Compensation and Leadership Effectiveness

Developing Leadership Talent



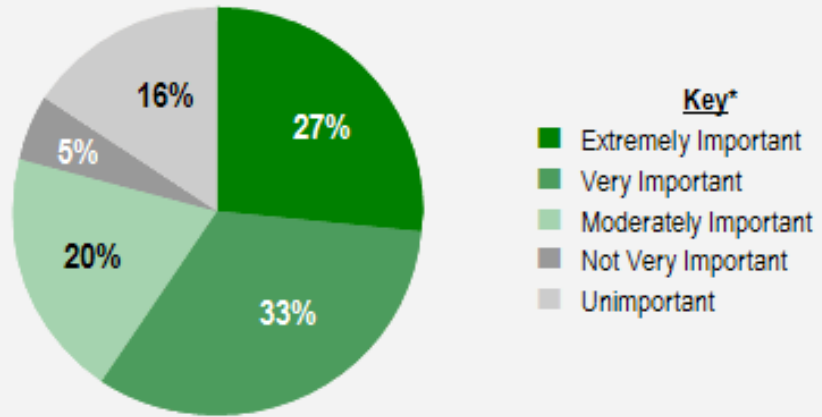
Notes: 148 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Making Sure Leadership is Effective at all Levels of the Business



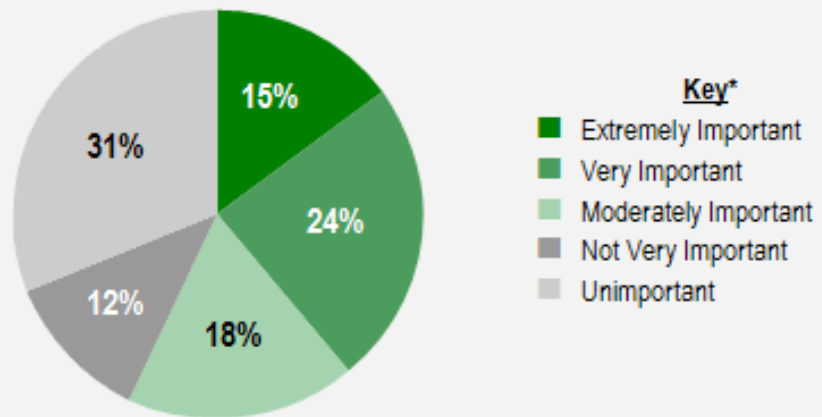
Notes: 148 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Ensuring that Long-Term Incentive Plans Are Appropriately Aligned with Organizational Objectives



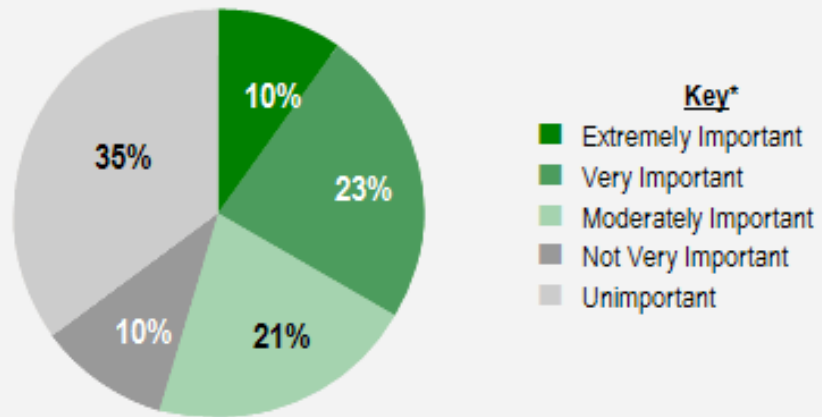
Notes: 148 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Responding to Shareholder Demands that Executives Be Rewarded on Measurable Performance Outcomes



Note: 146 respondents answered this question.

Determining the Role Executive Stock Ownership Should Play in Driving Business and Executive Compensation Objectives



Notes: 145 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

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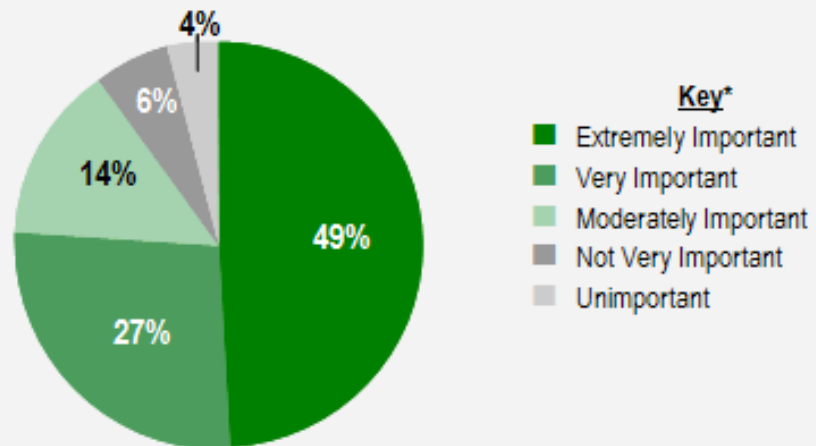
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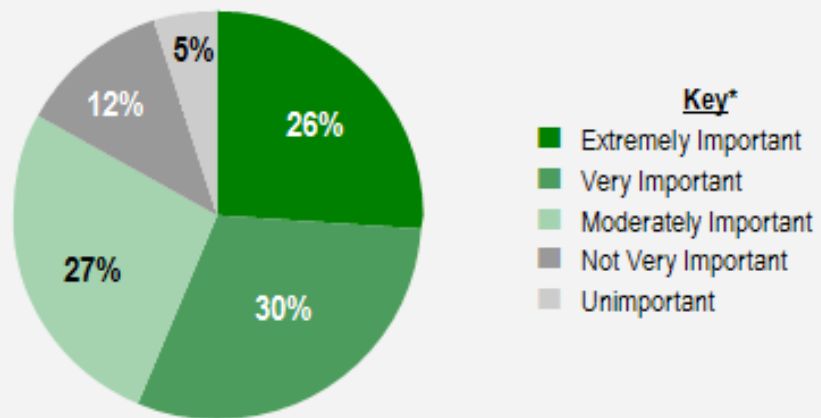
Health Benefits

Managing the Rising Cost of Medical and Prescription Drug Coverage



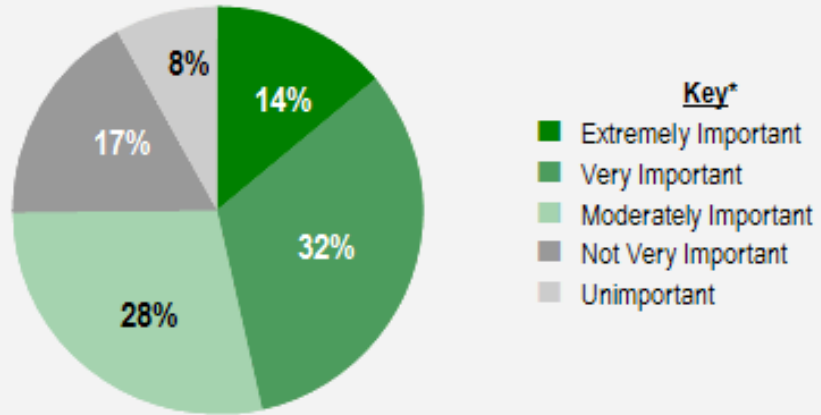
Note: 144 respondents answered this question.

Analyzing our Health Data to Determine where to Target Cost Management Initiatives



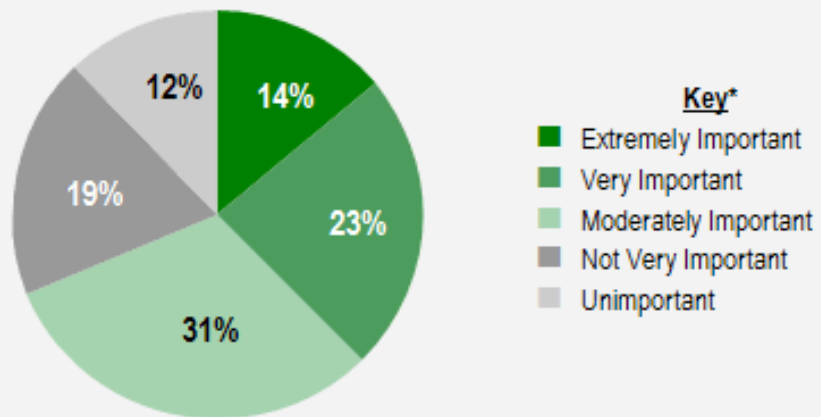
Note: 145 respondents answered this question.

Measuring the Return on Investment of Wellness and Disease Management Programs

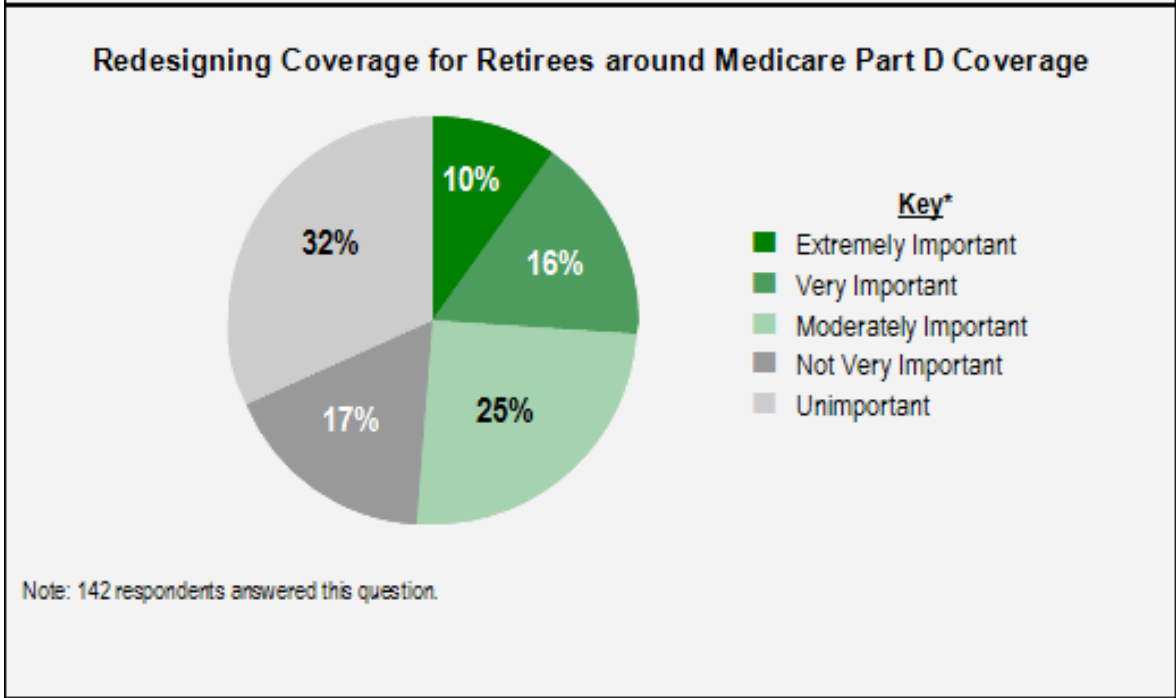
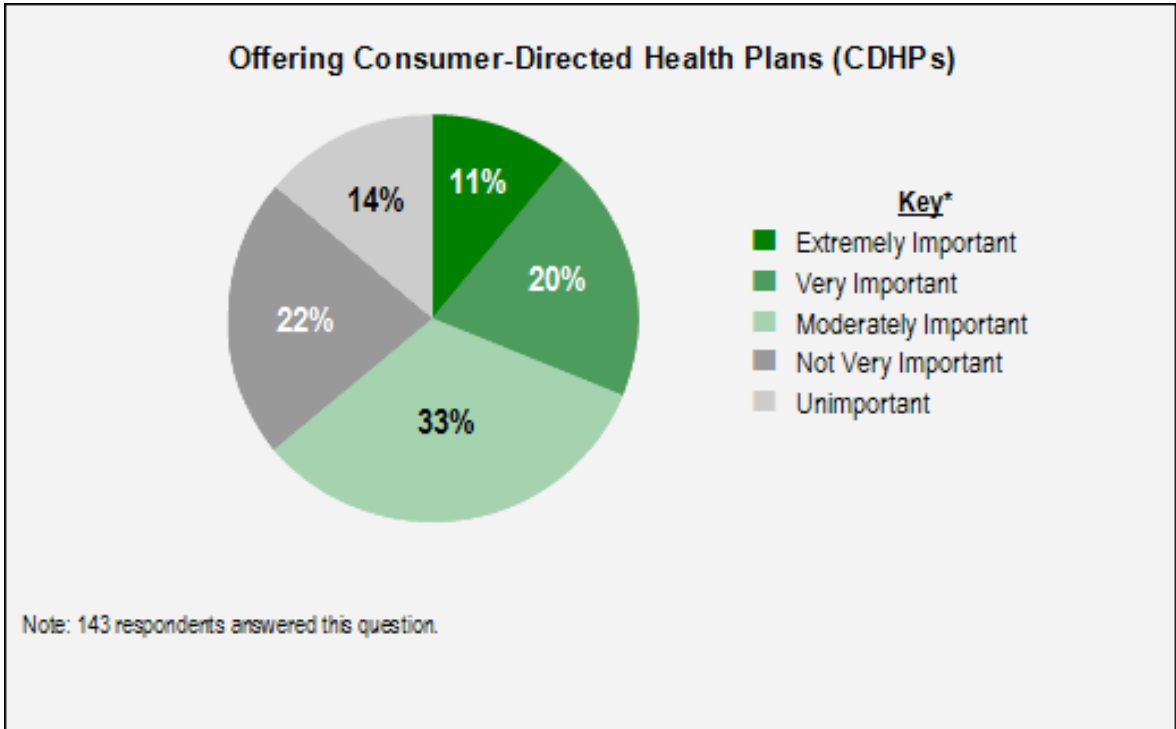


Notes: 145 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Rethinking Health Coverage Penalties in Terms of Lifestyle Risks (e.g., smoking and obesity)



Note: 145 respondents answered this question. The data in the chart above does not equal 100% due to rounding.



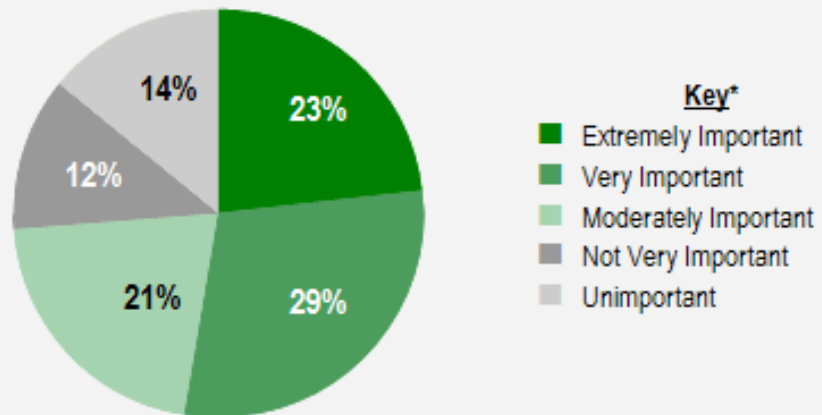
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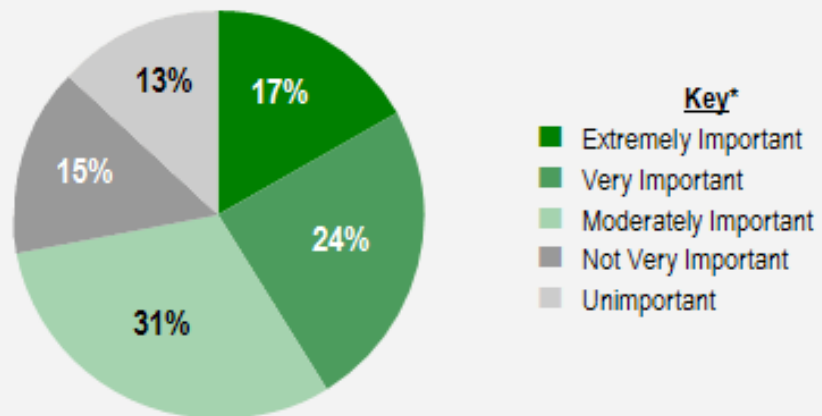
Retirement Benefits

Coping with Increased Pension Costs, Volatile Investment Markets and Regulatory Complexity for Retirement Plans

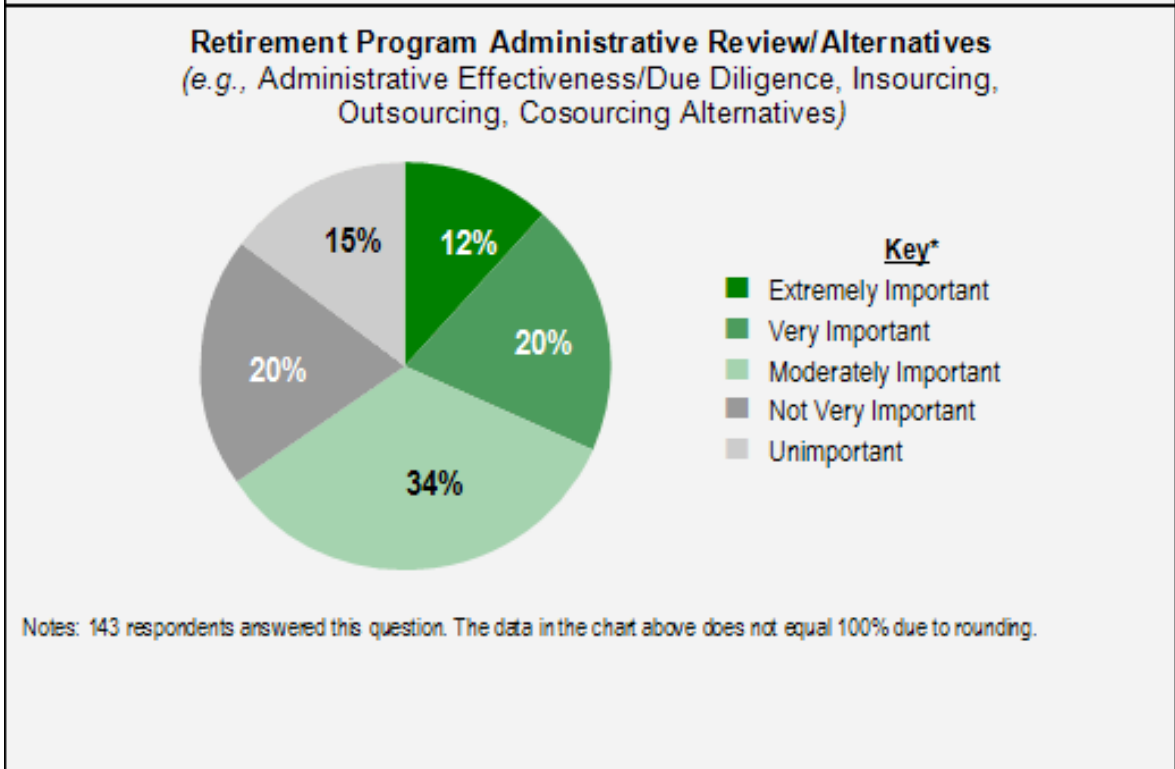
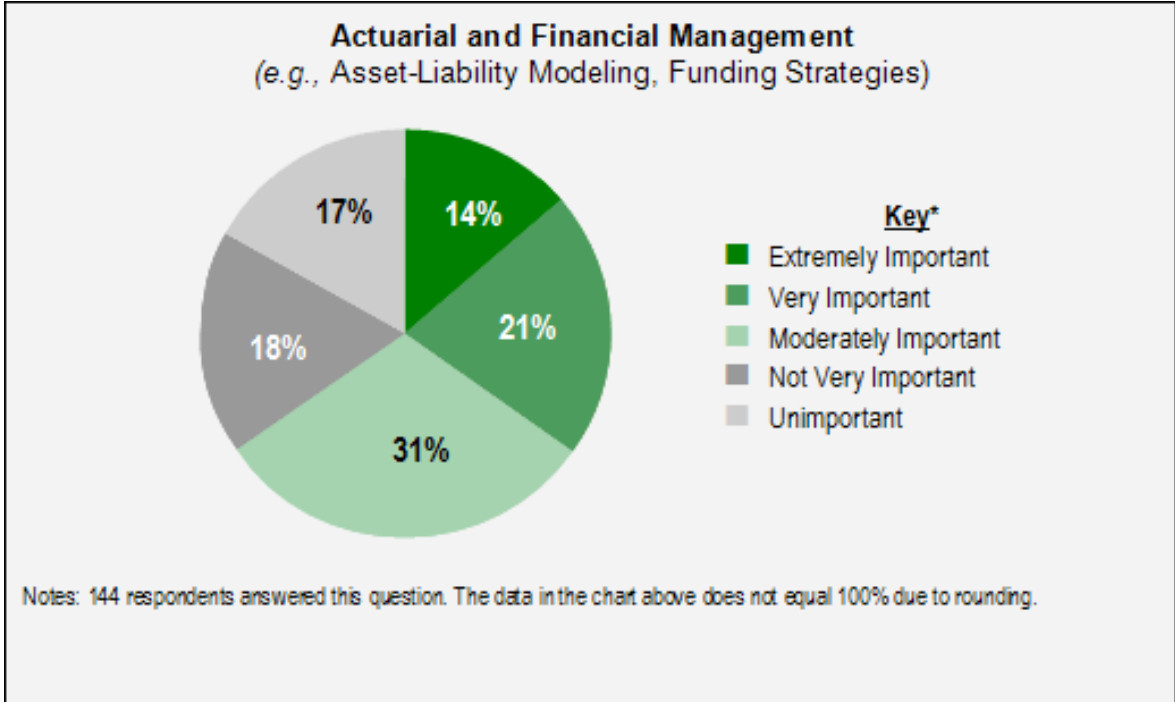


Notes: 145 respondents answered this question. The data in the chart above does not equal 100% due to rounding.

Retirement Program Redesign Strategies in the Context of National Trends and Competitive Landscape (e.g., DB Freeze, Hybrid Plan Design Alternatives, DC Design and Contribution Strategies)



Note: 144 respondents answered this question.



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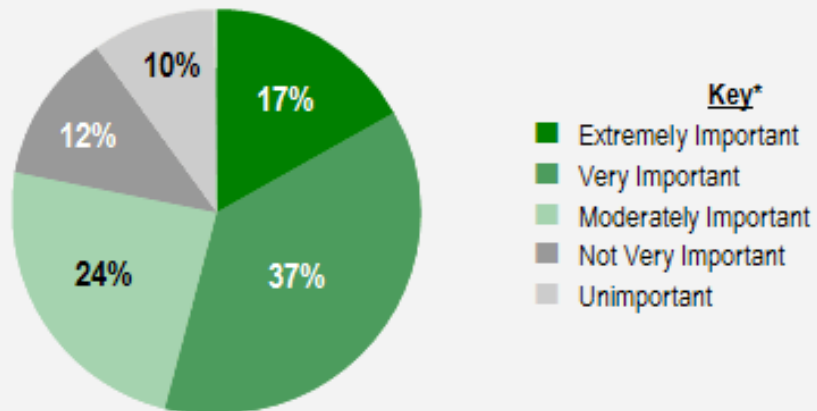
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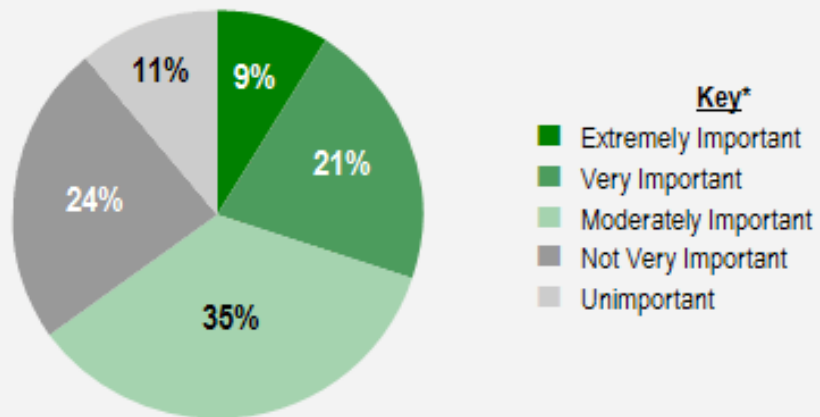
Administration and Technology Issues

Improving HR Technology to Allow More Employee Self-Service

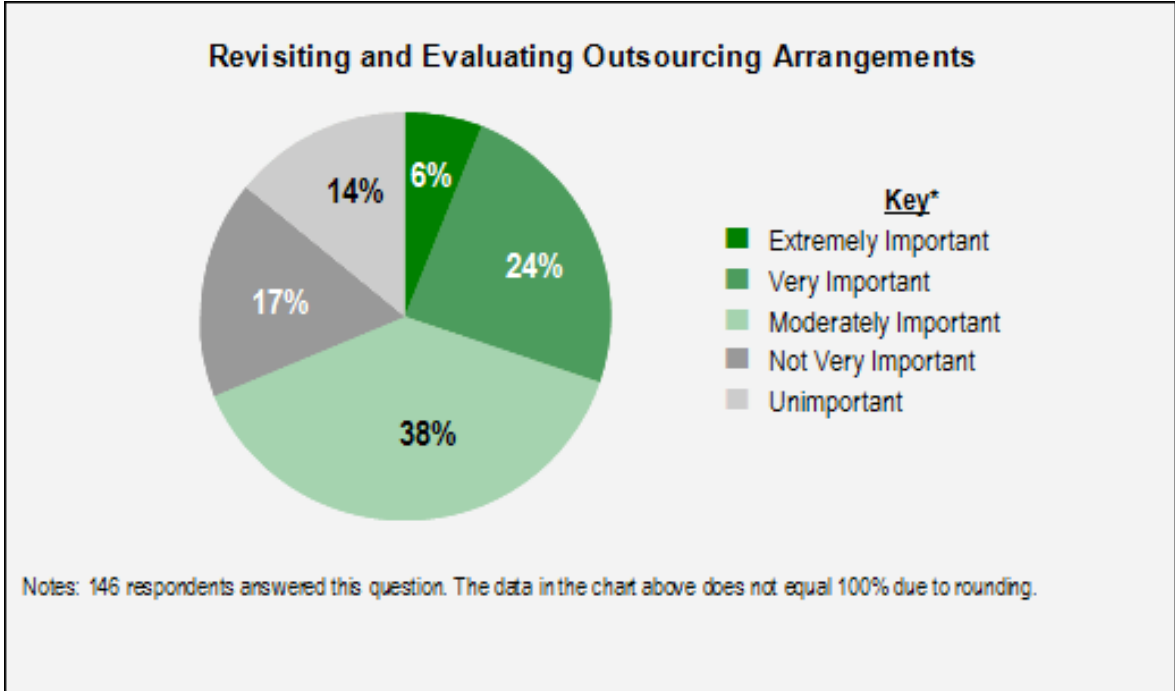


Note: 146 respondents answered this question.

Improving the Administration of Rewards Programs

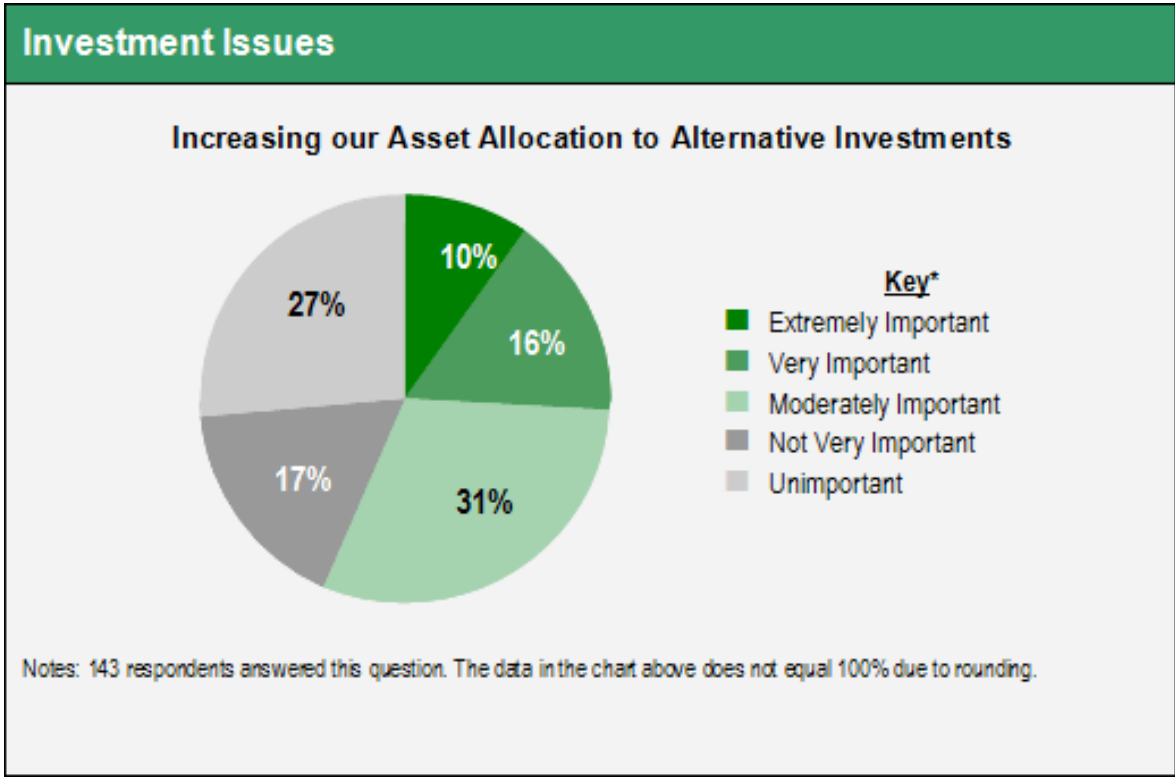


Note: 146 respondents answered this question.

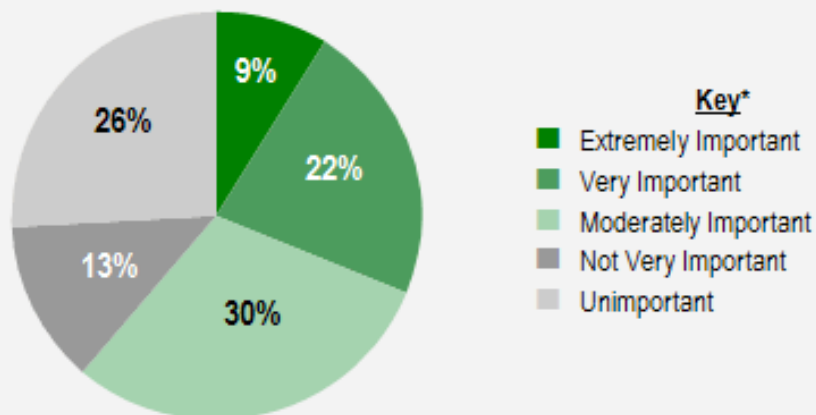


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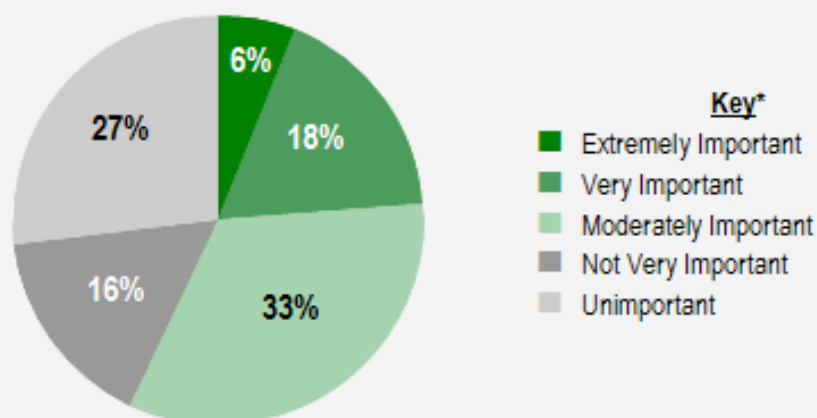


Reexamining Asset Allocation Strategies to Assure Alignment with Future Pension Payout Streams



Note: 143 respondents answered this question.

Introducing Lifestyle Funds for Defined Contribution Plans



Note: 142 respondents answered this question.

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