

The Future of Work

Bill McCollam • *Sun Life Financial*

There is an inherent danger in publishing a book with the word “future” in its title. Rarely do we know, with any certainty, what comes next. It is best to leave the prediction business to fortune tellers and media pundits.

Still, there are forecasts on which we can rely. Take David Foot, the famous University of Toronto economist, who promised that we would all be a day older tomorrow. We see almost as much certainty in the future of work for Canadians. Not only are we aging together, we are retiring together.

In fact, so many of us will retire in the short- to mid-term future that the workplace will be forever changed as a result. As the Canadian population continues to age, and as the country’s labour force continues to thin, employers will face talent attraction and retention challenges unlike any they’ve ever seen.

A report by The Conference Board of Canada warns of labour shortages as early as 2011. “In the years that follow, employers will have to scramble for scarce workers, and, as a result, they will feel pressure to offer higher wages and other incentives to workers to delay their retirement.”¹ The report predicts average annual increases in the labour force of 0.5% between 2011 and 2015. Between 2016 and 2025, it predicts zero growth.

“Firms will face enormous difficulties in recruiting enough young people to replace the retiring baby boomers.”²

AN EXTRAORDINARY CHALLENGE

Our hope, and the driving force behind the book you hold in your hands, is that the strategies key decision-makers like yourself develop to address this extraordinary challenge will usher in a new era of progressive employer-employee relations.

There is good reason to consider total rewards strategies in this light. The idea of total rewards embraces a more holistic view of the employer-employee relationship. This view deepens the labour pool by accommodating workers’ needs and it increases productivity by promoting health and much more. Leading organizations in this area will enjoy a competitive advantage in their efforts to attract and retain key talent.

These strategies are built on three areas of focus: compensation (both present and deferred), benefits (including life, health and pension) and a third focal point variously referred to as workplace experience/culture (a relatively broad area covering employee acknowledgment, professional development, work-life balance and other organizational culture issues)³ and careers (including training and development, lateral moves, stretch assignments and career incentives).⁴

While not a cure-all, total rewards strategies have reached a level of popular support that compels us to present them for your consideration. We see value here, and we want to share that with you.

That’s why Total Benefits from Sun Life Financial has chosen to

publish *The Future of Work*. We see natural alignment with our multi-layered, customized offering — Total Benefits supports total rewards programs by integrating our clients' preferred benefit, pension, payroll, human resources information system and other providers. More than that, though, we see an opportunity to contribute information intended to make Canadian employers more competitive and their employees healthier and more productive.

We're also practising what we preach. A year ago, Dominique Mailloux, vice-president of IT services and Total Benefits at Sun Life Financial, wrote an article in *Benefits Canada* that called on benefits and pension industry providers to work more closely together on behalf of Canadian plan sponsors. In keeping with that spirit, we have assembled many of this industry's brightest thinkers to explore various aspects of total rewards for you.

AN OVERVIEW OF THE FUTURE OF WORK

Chapter 1 features a total rewards overview by Iain Morris of Mercer Human Resource Consulting. That's followed by a fascinating look at evolving employee expectations by Ron Lloyd of Hewitt Associates.

In Chapter 3, Samira Kaderali and Alnasir Samji of Towers Perrin HR Services, and Michael Tindall of ExcelerateHRO have collaborated on an examination of the return on investment employers should expect from a total rewards strategy. Another collaborative chapter follows that, with Karen Seward of WarrenShepell and Brigitte Parent of Sun Life Financial Group Benefits examining health promotion and benefit plan design in a total rewards context.

John Beaton of Aon Consulting covers pension plan design in Chapter 5. And then David Bell of Ceridian Canada Ltd. offers valuable insight on executive compensation.

Chapter 7 features Rob Landry of Magna International and Sue Hunt of Sun Life Financial Group Retirement Services on the important issue of plan member communications and employer branding strategies in a total rewards environment. Next, Terry Lister of IBM Business Consulting Services writes about the opportunity to outsource human resource business processes as part of a total rewards strategy.

The final chapter features a lively roundtable discussion on total rewards strategies for mid-sized employers. Participants include Frank Gleeson of The Williamson Group Inc., Val Holloway of The North West Company, Keith Morrallee of Heath Benefits Consulting Inc., Sonia Rea of The Research Institute of the McGill University Health Centre, Chris Payne of The Fort Group and Michael Worb of Pal Benefits Inc.

We're grateful to each of these industry leaders for their tremendous contribution. And we're grateful to you, the reader, for the extraordinary care with which you continue to do your job. Professionals in your position play an increasingly important strategic role within Canadian organizations. Now more than ever, your organization's various stakeholders are relying on your experience and wisdom.

You give us all reason to be optimistic about *The Future of Work*.

Please tell us what you think about *The Future of Work*. Email us at total.benefits@sunlife.com.

Bill McCollam is vice-president, Total Benefits with Sun Life Financial.

¹ "Understanding the Impact of Population Aging," *Performance and Potential 2003-04*, The Conference Board of Canada, 2003.

² Ibid

³ "What is Total Rewards?" www.worldatwork.org, WorldatWork, 2005.

⁴ Gross, Steven E. and Moreen, Robert, "Total Employee Rewards Redefined," *Mercer Management Journal*, Mercer Management Consulting, 2005.

Total Benefits from Sun Life Financial

The Future of Work is sponsored by Total Benefits from Sun Life Financial.

We recognize the value of customized solutions that help plan sponsors maximize their return on benefit and pension plan investment. Clients have told us that being an employer of choice means integrating all aspects of the plan in a manner that ensures the best possible member experience. This is the Total Benefits value proposition. It represents our continued commitment to client-centricity, integrated services and innovation.

Total Benefits provides access to a full range of resources via one convenient multi-channel gateway. That can include Sun Life Financial Group Benefits, Group Retirement Services and additional providers that plan sponsors ask us to partner with. Ultimately, access to these resources — which can include member-level defined benefit pension plan administration, flexible benefits plan enrolment and more — will be tightly integrated with Sun Life Financial services.

For the plan member, Total Benefits is branded to look and feel like an extension of his or her employer's portal. Key elements of the employer's online style guide are featured prominently throughout our Plan Member Services website, effectively linking our client's online presence with Sun Life Financial's.

For the plan sponsor, Total Benefits enhances the manner in which it works with its preferred providers. Our Total Benefits strategy is to work with these organizations on behalf of our clients.

This is all made possible by Sun Life Financial's investment in a uniquely rigorous technological infrastructure. Our Customer Information File and Nexus authentication capabilities recognize individual member accounts, and facilitate linked access to the employer-sponsored plans provided to each member.

By integrating the plan sponsor's preferred benefit, pension, payroll, human resources information system and other providers, Total Benefits supports total rewards programs on a level unmatched in the Canadian industry.

TOTAL BENEFITS FROM SUN LIFE FINANCIAL
Multiple providers. Multiple plans. Totally connected.

