



REDEFINING REWARDS AND PERFORMANCE

Gauging your best performers in a virtual world and recognising them online

Work culture across organisations has undoubtedly changed in the current scenario, as targets are being redrawn, goals are being rewritten and work deliveries are changing. Along with this, another aspect of work culture that changes is the system of rewards and recognition, which was strongly influenced by actions and behaviours all this while, but cannot be quite as easily gauged now. Organisations need to make new design considerations and incorporate these changes to maximise recognition and rewards even in times like these.

Inspiring change leaders, **Mark Hirschfeld, Vice President, Consulting Services at BI WORLDWIDE**, along with **Abhishek Khandelwal, Global HR Head, Welspun India Ltd.**, and **Akshay Wadhwa, Head - Rewards (C&B) & Performance Management, India & Emerging Markets, Sun Pharma** highlight new trends in rewards and performance, redefine the rewards efficacy scale and speak on the perquisites for creating a digital rewards experience.

THE NEW DEFINITION OF REWARDS EFFICACY

DEFINING THE POWER OF EFFICACY AND ANALYSING ITS CAPACITY TO PRODUCE A DESIRED RESULT

By Mark Hirschfeld, VP Consulting Services at BI WORLDWIDE

We as leaders use all kinds of tools to produce a desired result and research says that particular rewards seem to be more efficacious. This element of rewards is just one among many of the overall rewards strategy. Issues regarding compensation and benefits also need to be heeded to because if these factors were poor or led to inferiority, it would poorly affect the overall rewards program.

Rewards that inspire

Dr. Ran Kivitz, a professor at Columbia University and New York University conducted a study wherein he tried to identify the kinds of rewards apart from compensation and benefits. But when an employee goes beyond and contributes more, the reward also desires to be an additional one, one which encapsulates all activities being carried out. Everything from salespeople producing extra results to employees participating in a wellness program, needs to be



Mark Hirschfeld
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recognised equally. the most favoured ones. On the other hand, another study highlights the psychological or behavioural patterns behind these experiences and several factors were identified which tell us why these work the best.

EMPLOYEES FEELING INSPIRED BY REWARDS EXPERIENCE



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Justifiability

Assume you spend on something that isn't absolutely necessary. If you spent on it from your personal funds it would be hard to explain why you needed it or spent on it, but when the same luxury is bought with company sponsored rewards, justifying the purchase becomes much easier.

Sociability

Cash or card rewards aren't something you can show around, but with a tangible purchase, employees can definitely show it off to friends, family and others.

Re-consumable and Promotable

When you see your purchase over and over again, it serves as a reminder of the good work that you'd put in and encourages you to perform better. There is an emotional connect built around your purchase.

The desire to achieve

Employees certainly want personal satisfaction of knowing they have achieved a goal or an incentive, but when they do that,

THEY ALSO WANT TO SHOW IT OFF TO THEIR INTIMATE GROUP OF FRIENDS, PEERS AND COWORKERS

Which is why rewards efficacy is so important as we are more likely to share experiences or valued luxury items with individuals, as opposed to sharing cash or a gift card.

Trends in the midst of a pandemic

In June, we conducted a study of 1500 employees across North America who were working for large employers. They were questioned about their work experiences and how they felt. The three outcomes were:

- 1 Commitment:** Will they stick around, or will they move someplace else? Are they working hard on being a part of the organisation and spending enough time on the tasks assigned? What ideas are they bringing in?
- 2 Effort:** Are they putting in enough effort? How are they handling the transition?
- 3 Inspiration:** Are they inspired enough to continue working efficiently?

What we found was commitment and effort statistically stayed the same. But inspiration has dropped dramatically for people who worked in an office, originally.

This is a big challenge for us, and we are going to need to provide more effort to engage and inspire people as compared to how we did it in a traditional work set-up. We also asked about the kinds of activities they experienced at the workplace and then explored the relationship between individuals and experiences, to analyse how rewards affected their levels of inspiration and engagement. It was clear that experiences and luxury commodities encouraged them much more than cash and cash equivalent rewards.

THE EXTRINSIC REWARDS EFFICACY CONTINUUM



MAKING A LASTING IMPRESSION WITH EXPERIENCES

FACILITATING ONLINE COLLABORATIONS AND GLOBAL RECOGNITION IN A DIGITAL WORLD

By Akshay Wadhwa, Head – Rewards (C&B) & Performance Management, India & Markets, Sun Pharma

Making collaborations, convenient

Collaborations have been facilitated by the pandemic. People were more accustomed to having a face to face meeting but are now equally comfortable with a zoom meeting which has opened avenues to meeting people across the globe at any time.

EARLIER, BECAUSE OF THE FACE TO FACE SYSTEM COLLABORATIONS TOOK A BACKSEAT, BUT NOT ANYMORE.

For example, during COVID we launched a set of medicines which would have otherwise taken much longer owing to the processes. Usually the team wants to personally see the product, exchange data, and work with agencies before rolling it out. Now, the speed increased tremendously, because there are fewer logistics challenges.



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Additional rewards

In R&D the job is to search for new products, get approvals and make it quickly available to consumers to make their lives easier which requires not only R&D collaborations but collaborations from multiple other teams across geographies. One of the key recognition factors at our firm is the Value Creator Award which involves teams and individuals sending in their nominations highlighting the value they have added either as a group or a cross-functional team, as no single department can deliver these outcomes in isolation. Hence, they proudly send in their nominations and we recognise them.

Measuring recognition

THE THREE FACTORS THAT HAVE ALWAYS BEEN TAKEN INTO CONSIDERATION FOR A RECOGNITION PROGRAM ARE OUTCOMES, EXHIBITING BEHAVIOURS, AND RECOGNISING EFFORTS.

The first can be assessed remotely to a large extent. The second one is a little difficult to measure if not in the same proximity, but is measurable to a certain extent if you pick up cues. The third one depends entirely on earlier strategy. Whether you recognised the actual effort being put in or based it on final achievement. Recently, to give employees the real awards night feel we partnered with a tech platform and adopted a virtual town hall that fit in over 2000 people. It may not have had the exact same impact, but it did serve the purpose well enough.

The way forward

The broad idea is to see what employees are looking for and that goes beyond the paycheck. We study how people relate to each other even when socially distant because gravitating towards each other is our natural tendency. Total rewards is a journey and we are fully on that journey.

SOCIAL PRESENCE IS A DIFFERENTIATOR

CONSTRUCTING THE RIGHT KIND OF MESSAGING IN A VIRTUAL WORLD

By Abhishek Khandelwal, Global HR Head, Welspun India Ltd.



We conduct a lot of virtual meetings to recognise outperformance on a monthly basis, while conducting separate programs for our WFH workers and our operational on-ground staff. Everyone is now connected on a global platform, so they have recognition across locations which has been a positive shift. The entire celebration in a virtual world has a completely different flavour where we needn't book fancy venues, yet the frequency of victory and celebration has increased because people have come together.

Collaborations are key

Collaborations have become a part of our core values and we measure their effectiveness as part of our appraisal process. The more frequently we talk about successes in the global forum, the more it helps us learn from each other. Collaborations are leading to success, but they are also working better because working can be mixed with fun, teams are being aligned, connection is instant and all of it is a cementing partner to the virtual journey.

Measuring Recognition

To be successful in digital adoption, we encourage teams to effectively showcase their digital adoption. Something done manually by the supply chain can now be translated into more of automation. We are now at a stage where we need to measure outcomes on a real-time basis, where data, information, reporting and tools that have possibly been part of organisations have to be put together and showcase what is being delivered.

THE SOONER WE MEASURE THE BETTER THE OUTCOME OF RECOGNISING IT. THE FURTHER WE MOVE FROM KNOWING WHERE WE STAND, THE FURTHER FROM THE IMPACT WE ARE.

While there is a linear equation of talking about a rating, we also started a process of a multi-rater wherein, if a person is collaborative, then everyone should experience that side of the equation. Compare the data to what we imagined the person to be. As soon as we identified clear cut winners, the answer is 'yes', it can definitely be rewarded.



Abhishek Khandelwal
Global HR Head, Welspun India Ltd.

Anticipating the rewards strategy

When we talk rewards, they aren't limited to cash alone.

DIFFERENT ORGANISATIONS DO IT DIFFERENTLY BECAUSE WE NEED REAL-TIME MEASUREMENT AND RECOGNISE OUTPERFORMANCE FREQUENCY.

Soon, we shall see quarterly programs coming into play. There has also been a complete shift in learning, in the sense that our shop floor working is semi-automatic, and our focus now is to make them reliant not only today but even for tomorrow. At the moment, everyone is at the same level and considered an equal which is great and might also be the way forward. These are some classic changes I foresee. We are building along the way and we must now see how organisations make the entire gamut, digitally savvy.

Reward programs are significant in building bonds within organisations and the workforce. They encourage employees to work at their full potential and incentivise them with benefits they genuinely love. What matters is how you perceive your audience, go beyond basic rewards to customise experiences and keep them motivated even in times like these.