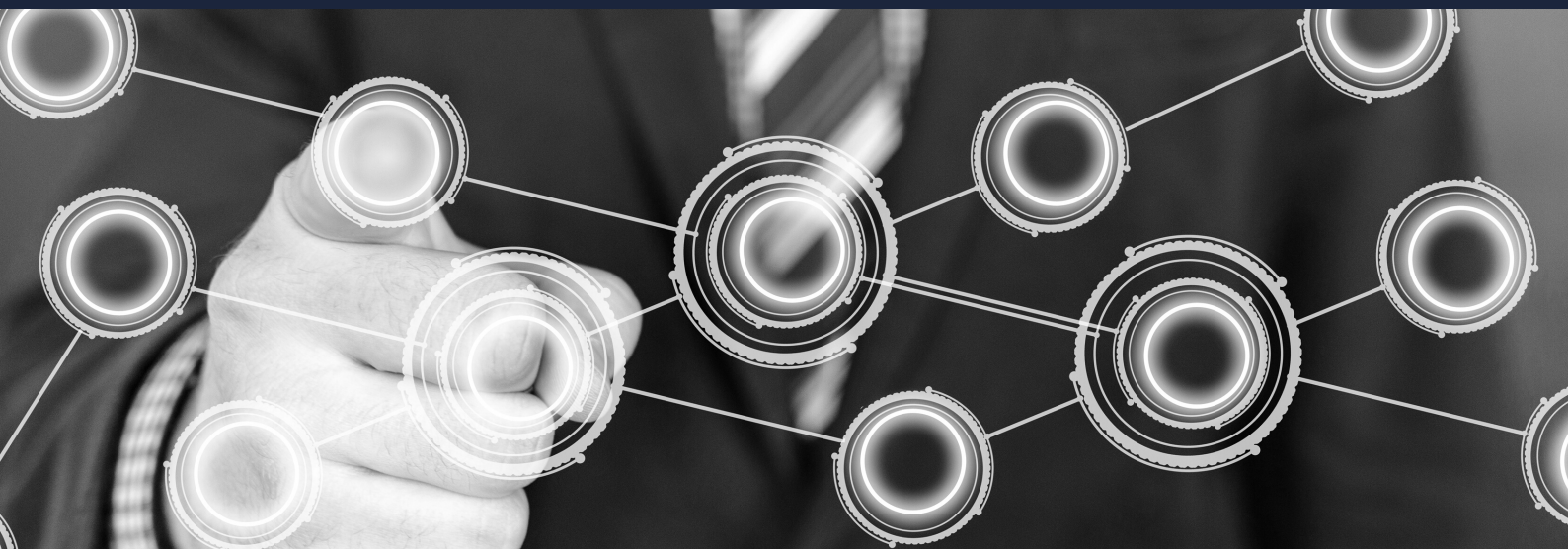
Interloop®

KNOWLEDGE LETTER

ISSUE 3 • MAY 2021



TOTAL REWARDS STRATEGY

INSIGHTS

With the onset of the pandemic, most companies have reduced their investment in HR spaces. Only if that wasn't enough, the efforts to retain the employees couldn't get the budgetary approvals. Universal reward strategies are a good place to start with but with changing times and low HR budgets, more effective approaches need to be implemented.

A **total rewards strategy** does this by bringing into account the non-financial incentives that help in employee engagement and retention. Apart from the basic pay, short term and long term incentives, a total reward strategy also consists of the working environment and learning scope for the individuals.

The total rewards strategy of an organization should be in sync with it's business and HR strategy. By the end of this knowledge letter, you will know the total rewards methodology, how to customize your reward strategy as per the business objectives of your organization and some unique reward systems set up around various industries.

KNOWLEDGE LETTER

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TOTAL REWARDS STRATEGY STARTER KIT!

1. A GUIDE TO A TOTAL REWARDS STRATEGY

Total Rewards programme should have 2 major components: **a) Program** set for the rewards and **b) Value** for the employee and employer from the program. Knowledge of the rewards suited as per each employee and what motivates them individually should be a start to developing a total rewards strategy. **As no one strategy could fit all, differentiated and flexible rewards should be presented to employees to choose from**. This needs to be supported with technology. Getting insights from the data over time will assist in facilitating the decisions in HR, as well as towards an optimum Total Rewards Strategy. Having conversations with employees and improving awareness so that they understand that a fair and square process determines the reward they are receiving is apt.

2. HOW MOVING TO A TOTAL REWARDS MINDSET CAN HELP EMPLOYERS STAND OUT FROM THE COMPETITION

The benefits of a total rewards package include **retention** of employees, aid while **recruiting** important candidates, **increased awareness** of all benefit tools at the disposal of the employee, **improved performance and productivity** from the employees. Implementing a system involves, developing a package as well as communicating it effectively to the employees since many companies face the issue of underutilized benefits due to partial knowledge of it by the employees. **Updating the program** as per the observations and data procured, changes could be made along with updates to it. Differentiation in terms of the package will reel in the best employees.

3. HOW TO REWARD (AND RETAIN) PEOPLE WHEN MONEY IS TIGHT

Just not when money is tight but a cost effective measure of a reward system is to create a sense of belonging with the company among the employees. Since the intention is to get the **smart employees** on board, challenge arises to keep them engaged. To take care of that, activities should be lined up in such a manner that they feel the **sense of contributing to the bottom line of the business directly which will increase their motivation** towards the work they are executing. Some do require mentoring in such situations, but that creates a value orientation towards the goals of the company.

4. DESIGNING A SUCCESSFUL TOTAL REWARDS STRATEGY FOR 2021

Total Rewards Strategy affects the employee experience and organizational performance. **Employee Well being, Benefits, development and Recognition** form the key constituents of the strategy. Efforts in each section contribute towards a **holistic measure** benefiting both the employer and employees. **Including leadership** to advocate the rewards strategy to the employees seems to be an effective way of communicating the benefits to the employees and with much more seriousness. Post implementing, it's crucial to measure the **cost and value** for the reward strategy. Many employers also tend to align the Total Rewards programs with their talent value proposition to fill the skill gaps.

LINKS FOR FURTHER READING

1. https://www.peoplematters.in/article/technology/guide-total-rewards-strategy-13220
2. https://www.gnapartners.com/resources/articles/total-rewards
3. https://hbr.org/2008/06/how-to-reward-and-retain-peopl
4. https://semoscloud.com/blog/total-rewards-strategy-2021/

"Persistence and determination are always rewarded."
— Christine Rice

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BUZZ AROUND THE MEDIA

Reminders in the HR Space for the month

VMWARE ANNOUNCES INCREASED WELLBEING ALLOWANCE

Software company improves the existing well being programme by allowing an equitable reimbursement of ₹29,565 yearly to all employees across offices in India. This move was effectuated keeping in mind the importance of one's well being at all times and how it keeps an individual healthy. The amount could be used towards getting vaccination fro self or family members as well. Introduction of EPIC2 days (4 company wide holidays) to give the employees a break, ICAS programme for coaching, therapy, and work life services were also introduced as the company goes into remote working. **Read More Here.**

ACCENTURE'S REKHA MENON BECOMES FIRST WOMAN CHAIRPERSON OF NASSCOM

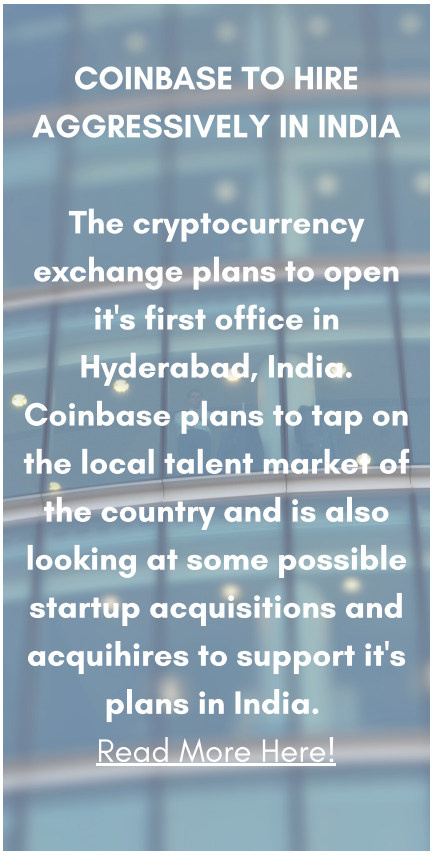
The National Association of Software and Services Companies (Nasscom) appointed Rekha M Menon as its Chairperson for 2021-22. She is the first woman to take on the role in the association's 30-year history. She believes that during this crucial time of the pandemic, there is ample opportunity for growth with technology to save the societies and economies around the world. In addition to this, Nasscom also announced its new Executive Council which comprises industry sectors like ER&D (Engineering and R&D), BPM (Business Process Management), IT Services, SMEs. **Read More Here.**

IT'S RAINING JOBS! TCS, INFOSYS, WIPRO, HCL TECH TO HIRE 1 LAKH FRESHERS IN 2021

As companies worldwide are going through digital transformation to become future ready, they are looking for employees who are tech-savy and open to change and learn. In FY21, top IT companies added around 45% more employees than the previous fiscal year. This trend is to be continued in FY22.
As work from home situation also demands technology up-gradation for processes of the companies, the demand for graduates increase. The hiring increases due to increase in profits from WFH situations.
Read more:

HCL TO SHIFT WORKLOAD TO OTHER GEOGRAPHIES, TO GIVE SKILL-BASED ALLOWANCE TO STAFF

Due to Covid Crises and the restrictions in movement, the firm has been allocating it's work accordingly. More importance is being given to 30% of it's workforce abroad. Along with this, It announced a skill-based allowance of 25-30 per cent of their CTC for 16,000 of its employees. According to the firm, 25-30 skills have been identified, which are in demand as per their customers. On the basis of 18 months of data, the Company has geared up to skill and certify its workforce and fill positions, internally. **Read More Here**.



TESLA HIRES FORMER RELIANCE TOP EXEC CHITHRA THOMAS AS ITS HR HEAD FOR INDIA

- Elon Musk's Tesla is setting up its India operations fast and is also assembling its leadership team.
- Thomas joins Tesla after spending over six years at Reliance Retail, where she was vice president and head of HR for the company's e-commerce initiative Ajio.com.
- Tesla, which is setting up its office in Bengaluru, Karnataka, has also reportedly shortlisted Delhi, Mumbai, Bengaluru for its first showroom in the country.
- Tesla has earlier reportedly appointed Manuj Khurana as Policy and Business Development head for India operations. **Read More Here.**

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Ideas that work !

CUSTOMIZED REWARD STRATEGY FOR DISTINCT BUSINESS STRATEGIES!

What is your strategic style of operation?



Noteworthy pointers:

- People Strategy can be formulated only when the direction of the organization is set.
- Functional, technical and Behavioral Competencies play a key role.
- Competencies of the people required to be determined with the insights from the business heads along with HR heads.
- Reward Strategy needs customization as per the business strategy as well.

ESTABLISHING A FRAMEWORK FOR OPTIMUM REWARD STRATEGY

1	2	3	4
CORE CAPABILITIES DEVELOPMENT	COMPETENCIES REQUIREMENTS	PEOPLE STRATEGY	REWARD STRATEGY
Core business capabilities which will help in achieving the strategic style of operation. The departments required.	People requirements in terms of the employee competencies needs to be decided.	Getting the right people as per the competencies laid out. Talent and workforce strategies to be in place is crucial.	How to retain and enagage the people to achieve the business strategy by using rewards.

REWARD STRUCTURE TAKEAWAYS

INNOVATION DRIVEN

Non-financial compensation is of due importance along with efforts driven recognition of the people and not just results.

CUSTOMER CENTRICITY

Healthy people of the organization convey the positive outlook. Emphasis on engaging rewards as per the needs of the people along with positive organizational health.

COST LEADERSHIP EFFECTIVENESS

Financial Compensation of prime importance along with bonus and incentives as a part of steady compensation.

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QUICK INDUSTRY VIEW OF THE INNOVATIVE REWARD STRATEGIES

E COMMERCE ORGANIZATION

Male employees having the flexibility to work for 4 hours at the office and rest from home for first 3 months before or after the child's birth.

INFORMATION TECHNOLOGY ORGANIZATION

Choose the holidays the employees would like to avail based on the calendar except 3 government mandated holidays.

FINANCIAL SERVICES ORANIZATION

Segmented rewards through a Flexible benefit system where the benefits as per the likeliness of the employee can be chosen out of the pool of options.

ASSET MANAGEMENT ORGANIZATION

Gamification of the retirement planning including game tests to understand the level of awareness of the employee contribution plan and scoring accordingly.

CONSULTING ORGANIZATION

BEREAVEMENT LEAVE of 3 days in the event of death of an employee's immediate or extended family member.

E COMMERCE ORGANIZATION

To improve the ambiance , music on all floors of the office building with the CEO becoming the 'Resident DJ;

CONSULTING ORGANIZATION

'Hours that help' to receive additional or extra leaves from fellow employees during a medical crises or emergency.

INSURANCE ORGANIZATION

SELF DEVELOPMENT LEAVE of up to 1 month to attend short term courses.

Take the next step. Rethink your Reward Strategy.

NEW BRAND ASSOCIATIONS IN APRIL 2021

ACHIEVEX SOLUTIONS PVT. LTD.

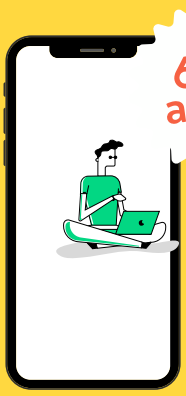
Zoho People Training and Consultation

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for social distancing.

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We'll be glad to assist you with any queries!

We are all about People



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