Interloop®

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KNOWLEDGE LETTER



TOTAL REWARDS SERIES: MARKET BENCHMARKING

INSIGHTS

Market Benchmarking is comparing an organization's reward programs and practices to their relevant external market.
There could be a set of objectives to do this starting from creating awareness about what the competitors are doing to targeting a specific reward strategy problem. To come down to a relevant total rewards strategy, it is also crucial to know what's happening in the external world.
Since many companies cannot offer the best suitable financial salary packages, they can always compensate well enough in other reward areas to entice the candidate's attention. This can only happen when the organization knows the candidate's attraction points from other companies.

KNOWLEDGE LETTER

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EDITION 4 Rewards for digital talent

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RESOURCES POOL TO GET YOU STARTED!

1. RETHINK BENCHMARKING AND USE DATA TO UNDERSTAND YOUR GLOBAL REWARD AND BENEFITS STRATEGY

Organizations have historically compared and benchmarked salaries within the same industry by looking at sector peers. However, as more and more jobs become industry-neutral, the phrase "transferable talents" becomes more and more important.

If employees are comparing market rates available to them across different industries, perhaps the corporate benchmarking process could make sure a skills-based comparison approach is a key component of the strategy.

2. USE BENCHMARKING TO EVALUATE YOUR EMPLOYEE BENEFITS PACKAGE

Your remuneration, perks, and other overall rewards should be designed with careful consideration of market benchmarks. It enables you to develop an unbiased viewpoint and a firm understanding of the efficacy of the advantages offered by your company. In order to recruit and keep the top people, it helps you drill down into your company's weaknesses and competitive advantages. Purchasing standard surveys will provide you with the certainty of rigorous processes and broad data.

LINKS FOR FURTHER READING

Link 1
Link 2
Link 3

3. 3 WAYS TO IMPROVE YOUR COMPENSATION STRATEGY USING MARKET DATA

Here are 3 essential activities where organizations can leverage market data intelligence to their benefit:

- Review your total compensation strategy: Revisiting your strategy gives you the opportunity to check if it's still anchored to your organization's pay philosophy
- Benchmark your rewards programs against the market: enables organizations to compare their rewards offerings with their peers; it can also provide insights on market trends
- Market price your jobs: Do a high-level analysis to understand the overall competitiveness

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BUZZ AROUND THE MEDIA

Reminders in the HR Space for the month

MODI GOVT. TO ALLOW 100 PER CENT WFH FOR EMPLOYEES IN SEZ UNITS: PIYUSH GOYAL

Work from home (WFH) is permitted for a specific category of employees of a unit within a special economic zone, according to Rule 43A of the SEZ Rules, 2006, which was made official by the Commerce Department. The department's decision to allow telecommuting in SEZ units during COVID periods aided in the growth of their service exports, which reached USD 254 billion last year. **Read More Here**

AVERAGE PAY HIKE OF 10.4% LIKELY IN 2023, FINDS SURVEY

Even though economic growth appears to be slowing and inflation is undermining their profitability, Indian companies are preparing to increase pay by 10.4% in 2023. According to the report polling 1,300 employers across 40 industries, 46% of organizations are anticipated to offer double-digit compensation increases in 2023, a comparable percentage to 2022. **Read More Here**

INDIA DISCRIMINATION REPORT: WOMEN IN INDIA EARN LESS AND GET FEWER JOBS

According to Oxfam India's "India Discrimination Report 2022," 67 percent of the lower salaries for salaried women are attributable to discrimination, and 33 percent are attributable to a lack of education and work experience. Oxfam India urges the Indian government to actively enforce effective measures for the protection and right to equal wages and work for all women.
Read More Here

MEESHO ANNOUNCES 11-DAY RESET & RECHARGE BREAK TO HELP EMPLOYEES PRIORITISE MENTAL WELL-BEING

The initiative Reset and Recharge by the Internet commerce company **Meesho** has asked for employees to completely unplug from work and prioritize their mental well-being after the busy festive sale. Since the company is on the move to acknowledge a work-life balance. It's up to the employees to utilize those as per their wish, be it to rest and rejuvenate or learn something new as a hobby. **Read More Here**

DIVHERSITY REPORT BY JOBSFORHER FINDS OVERALL ATTRITION RATE IN WOMEN IS GREATER THAN THAT OF MEN IN 2021

The Diversity Benchmarking Report, which was presented at HerRising 2022, the largest career event for women in India organized by JobsForHer, shows how Indian businesses are increasing the proportion of women in senior positions. According to the survey, the total attrition rate among workers was 9%, compared to 13% among professionals who were women, demonstrating that in 2021, more women than males had to leave the workforce. **Read More Here**

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Ideas that work !

How to conduct market benchmarking?

01 DEFINE THE OBJECTIVES

To structure or revise the salary at your organization, you need to first define the benchmarking objectives.

01 Is it a regular or periodic market update?

02 is it based on any critical organizational issues?

03 Is it due to any expansion plans, new hiring, retention, or turnover issues?

04 Is it based on employee feedback on specific issues, total compensation, housing, or other benefits policies?

05 Is it to understand the best practices?

02 IDENTIFY INTERNAL POSITIONS TO BE BENCHMARKED

Focus on positions where there is credible market data available and the ones that represent a large number of employees

03 IDENTIFY COMPARATORS

1 Direct Competition

Which organizations do you compete with for customers?

2 Indirect Competition

Which organizations do you recruit from?

Which organizations do employees leave to join?

3 Future Competition

Is this expected to change in the near future?

What data is available?

04 IDENTIFY DATA SOURCES AND SURVEYS

Consider surveys that match the job content rather than the job title, should be current enough to accurately reflect actual market conditions and not become outdated in the future

1.Published Survey 2. Private or Custom Survey 3. Club Surveys or Forums 4. Recruiting

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Ideas that work !

Continued*

05 WHAT TO CONSIDER WHILE MATCHING?

01 FOR ORGANIZATION

- Size of organization
- Nature of business and product lines
- Ownership

02 FOR PROFILE

- Knowledge and Skills
- Years of Experience

03 AT LEVEL

- Span of control
- Responsibility Levels
- Level of complexity

06 DATA ANALYSIS AND INTERPRETATION

The broad pay anchors that get covered while doing external benchmarking are both short-term and long-term incentives from the rewards framework

Pension, Housing, Vehicle, Hospitalization, Dental, Insurance, Disability, Shift, PF — **5- Benefits and Perquisites**

Long Term Incentives such as stock options — **4 - Variable Long Term Incentives**

Annual Performance Bonus, Profit Sharing, Other Annual Incentives — **3 - Variable Short Term Incentives**

Fixed Pay in the form od Cash Allowances — **2 - Guaranteed Cash**

Base Salary and Fixed Bonus — **1 - Base Pay**

07 ESTIMATING MARKET VALUE AT A JOB

DATES COLLATION

Ensuring that all survey data points are brought to one point in time so that the time period could stay the same.

WEIGHTING

While deciding whether or not to include a survey source, one should check the survey scope descriptors stack up against those of organizations

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Brands that started their digital transformation journey with us this month

PHIBONACCI
inPhiNite Learning

PANDIT

give
INDIA

Biryani by KILO .com
There's always a reason to celebrate....

IngenxT
INGENX TECHNOLOGY PVT LTD

Products:

Zoho People | Zoho People Plus | Zoho Payroll
Zoho CRM | Zoho Books | Zoho Recruit
Zoho Expense

STAY HERE
for social distancing.

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

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