Interloop®

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KNOWLEDGE LETTER



# TOTAL REWARDS SERIES: REWARDS FOR DIGITAL TALENT

## INSIGHTS

The need for an evolved workforce also requires the organization's contribution to rethinking its rewards system. To keep up with the pace of technology, it's crucial to have the right tech-fit people on board and that would require an extension of the total rewards framework to retain them.

Employers should focus on digital talent that has the scope of transforming the business and supporting them with the rewards framework. To get the desired business outcomes, a transformation would mean creating a lucrative rewards package that encompasses the elements that the tech talent would like enough to work with a non-tech company.

Remodeling a reward structure post benchmarking it with the appropriate companies in the tech and non-tech sectors will make for a sustainable strategy.

KNOWLEDGE LETTER

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EDITION 1: Total Rewards Strategy

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EDITION 2 Internal Equity

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EDITION 3 Framework Understanding


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# RESOURCES POOL TO GET YOU STARTED!

## 1. REWARDING DIGITAL TALENT: HOW TO SHAPE A PAY STRATEGY TO GROW AND THRIVE

This article outlines the problems organizations face when creating a reward structure for digital talent and looks at the practical considerations of overcoming this.

- Scarcity of digital talent due to high demand for the same
- Justifying the cost of salaries and mandatory social contributions
- Connecting pay with skills needed for transformation and carrying forward the skills identified v/s those needed to draw career paths within an organization is a challenge

## 2. HOW REWARDS CAN HELP MEET THE DIGITAL CHALLENEGE

Companies must look beyond simply 'how much we pay' to a holistic reward plan that considers and rewards behaviors alongside results and also takes into account non-salary benefits. Incentivizing success to offer flexibility in the reward packages, grant equity, and focus on individual development when looking at digital talent.

1. Start with a digital strategy and the change you need
2. Know what talent you need to deliver
3. Align a total reward strategy to enable all employees

**LINKS FOR FURTHER READING**

Link 1
Link 2
Link 3

## 3. GET READY FOR THE DIGITAL FUTURE OF TOTAL REWARDS

To retain the employees, it's necessary to create a total rewards package that is also benchmarked right to the market. A gap in this sense leads to attrition as the talent is ready for digital future and expects the businesses to compensate them well for it. With niche tech skills, this becomes even more crucial.

The potential of AI in rewards could be analyzing individual motivations leading to customized delivery of pay and rewards and help to place employees in positions that best match their desires and abilities with the employer's needs.


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# BUZZ AROUND THE MEDIA

## Reminders in the HR Space for the month

### INDIA INC TO SEE 10% MEDIAN PAY HIKE IN '23: WTW REPORT

According to global consultancy firm WTW, India Inc.'s median pay will increase by 10% in 2023 as a result of a labor shortage, concerns about inflation, and improved earnings. The industries that are anticipated to offer the greatest raises include those in the financial services, banking, technology, media, and gaming sectors.
**Read More Here**

### DATA SHOW GENDER PAY GAP OPENS EARLY

Even among those who acquired the same degree from the same university, a developing pay difference between men and women right after they enter the job market was observed as per the data on the wages earned by college graduates who received federal student aid. **Read More Here**

### MICROSOFT LAYS OFF 200 WORKERS FROM R&D PROJECTS, OVERALL 2000 SINCE JULY: REPORT

Microsoft, which let go of 1% of its workforce, or 1,800 workers, in July, has requested the departure of about 200 additional staff members, this time from one of its customer-focused R&D initiatives, according to news reports.
Contract recruiters have reportedly been affected by the recent layoffs in several places, according to posts on LinkedIn, which is owned by Microsoft. **Read More Here**

### NETFLIX APPOINTS MADHUMITHA VENKATARAMAN AS HEAD OF INCLUSION & DIVERSITY

Madhumitha Venkataraman has been named Head of Inclusion and Diversity for Netflix India by the renowned American production and streaming service, Netflix. She will be responsible for establishing and implementing the inclusion and diversity strategy for Netflix in India and contributing to the overarching inclusion strategy internationally on elements of talent systems, engagement, education, and business advice. **Read More Here**

### WALMART EXPANDS ABORTION COVERAGE FOR EMPLOYEES

The largest employer in the country, Walmart, is increasing its employees' access to abortion care after mostly remaining silent on the subject in the wake of the Supreme Court's decision to overturn a national right to abortion. The corporation announced that its health insurance plans will now cover abortion for workers "where there is a health risk to the mother, rape or incest, ectopic pregnancy, miscarriage, or lack of fetal viability." **Read More Here**


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Ideas that work !

# Rewards for Digital Talent

## HOW TO GO ABOUT SUPPORTING YOUR DIGITAL TALENT NEEDS?

Making up the mindset as a non-tech organization to hire, reward, and retain digital talent would require the following steps to be taken:

1

**Taking a look at job architecture and updating it up to expectations**

Identifying the specific capabilities required for growth in present and future

2

**Inputs from the stakeholders**

Take inputs from leaders to understand the career paths and level of importance to be assigned to the digital talent

4

**Benchmarking tech reward structure**

Benchmarking selection is important as it should not be a copy of a core-tech firm's reward structure

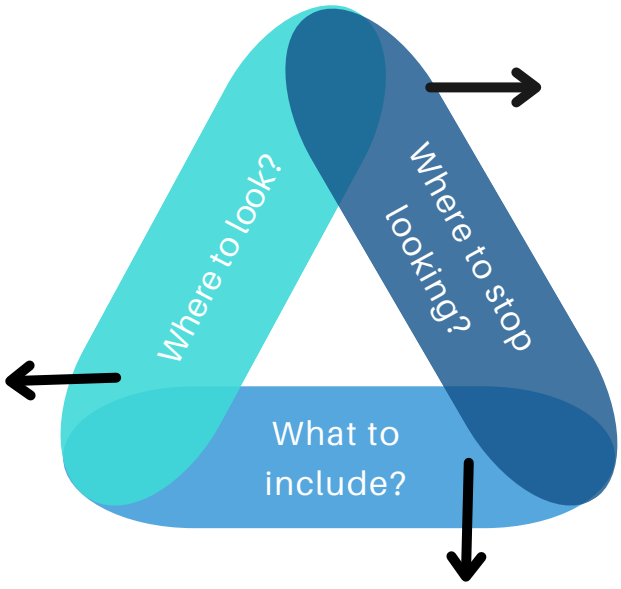
3

**Customizing the rewards framework as per the phase of tech adoption the company** is in:

- Early Tech Adopters
- Transitioning companies
- Newcomers in the tech game

## What to consider while benchmarking?

Evaluate the local market and metropolitan hubs to quantify the number of people doing the digital jobs and presence of businesses also hiring the roles most crucial to one's specific business




Need to look outside of traditional peers and include companies in different industries such as software or internet/online community to develop reward packages

Learnings from startups or core tech companies would help in benchmarking each individual pay element such as base salary, short-term incentives, long term incentives to a market) percentile rather than a specific pay mix or target the total amount


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Ideas that work !

# What can you afford to offer?

- What's out there in the market vs. what are you doing internally?

Determining what's the best program or package based on the data and taking into consideration what's feasible

- Can you extend equity to all levels?

Particularly if you're not used to granting equity below the executive level, what factors do you need to think about when possibly extending eligibility?

- If giving equity is not a possibility or you determine it's not the right option for your company, you will need to highlight other parts of your rewards program that can be differentiators for the talent you need.

## What to consider while benchmarking?

### DIFFERENTIATION

A mechanism to differentiate the rewards that the high performers will get from the rest such as extending special equity awards, annual incentives, spot bonuses, and peer-recognition programs may drive substantial results more affordable way.

### TIMING

Rewards and recognition are not just about money but also about timing as reinforcing behaviors quickly creates a better employee experience

### SALARY REVAMP

Business level strategic goals are broken down to individual goals. Taking a closer look at their pay philosophy, salary structures will have to be updated for certain types of roles

### EQUITY GRANTS

Equity reflects a belief that the individual is important to the future of the company that will aid the movement of transformation in the organization.

### STRENGTH FOCUSED

There is no need to restructure the existing rewards structure, instead, some strengths of the current structure should be retained


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# Brands that started their digital transformation journey with us this month

Metatronic

CODISTE

Magneto IT SOLUTIONS

Phreesia

Xapads

**Products:**

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

## STAY HERE

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

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