

Rethinking and Redefining the Reward Management in New Normal

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Abstract: Today almost all the businesses worldwide are facing challenges with covid-19 pandemic since it has brought new challenges which are forcing the organisations to change and adapt new approaches to meet the new standards and generate a quality outcome. As such Human resource managers are deeply concerned to handle their employees with utmost care and concern since they are the backbone for any business. Most of the companies have reframed their HR policies and practices to align with the psychological changes happening in employee attitudes. Among them Reward management is an important HR activity which majorly contributes to keep up employee motivation for individual and organizational performance. This article highlights on the need and importance of rethinking and redefining the Reward management along with criteria to be considered while designing reward management in new normal.

Keywords — rethinking, redesigning, reward management.

I. INTRODUCTION

As manpower constitute the core of any business and ultimately employees are the main focus of human resource management, with the constant changes occurring in the world today, especially due to covid-19 pandemic, there is a need for companies to reassess their business processes and bring changes to align itself with new demands and expectations in the market for better sustainability.

II. REWARD MANAGEMENT

Reward Management is one of the important HR activity which helps to motivate and retain employees with the organization for long term. So even they have to be reframed and communicated to their employees, which would increase their morale and will act as a driving force towards an integrated workforce.

Review of Literature In a study carried out on “Redesigning Rewards for Improved Fairness

Perception and Loyalty” by Hareendrakumar V. R., Suresh Subramoniam, Nizar Hussain M. sep 2020 the results showed clear indication to the HR managers about the need for redesigning the reward practice by incorporating employee reward fairness perception to optimize employee loyalty.

Thus, apart from financial compensations there are other means to reward employees, some of which include the praise that employees are able to acquire from their managers, the opportunity to take on important projects or tasks, and even leadership attention which helps them climb Maslow’s pyramid of needs to attain motivation for better performance.

The Covid-19 crisis has disrupted the way employees work. The talent / HR leaders are identifying new ways of working and polishing skills with the adoption of new technologies. According to a global survey report, close to 87% of executives are witnessing gaps in their skills because of automation and the advent of new technologies. Many organizations are expanding their digital training methods. They are effective in addressing challenges for remote teams, acquiring new skill sets, and bringing resilience at work. Thus, reskilling is playing a major role in closing the gaps with cost-effective training methods.

The pandemic has severely impacted the goals and performance plans. HR leaders should focus on developing relevant performance management systems to ensure that individual goals are in complete sync with organizational goals.

Literature shows that employees reward fairness perception has a determinant role in shaping employee behaviour in addition to Reward satisfaction. Since majority of the organizations are allowing employees to work from home reward system is one such major factor which can keep up employee motivation. This study has made an attempt to assess the need for rethinking, redesigning the reward management in new normal.

The organizational view of performance and rewards is a continuously evolving paradigm, shaped partly by business results, partly by what society considers valuable, and partly by reliance on old mantras. But with COVID-19 it is adding an extra and unexpected source of pressure on reward strategies. Research studies indicate that most of the organizations today miss the important component of Reward, which is the low-cost, high-return ingredient to a well balanced reward system. A key focus of recognition is always to make employees feel recognized, appreciated and valued. Evidences from past research studies also state that employees who get recognized will have higher self esteem, more confidence, more willingness to take on new challenges and more eagerness to be innovative. Hence, Reward system is an important tool that management can use to channel employee motivation in desired ways. It seeks to attract people to join the organization to keep them coming to work, and motivate them to perform to high levels. The reward system consists of all organization components – including people processes rules and

decision making activities involved in the allocation of compensation and benefits to employees in exchange for their contribution to the organization.

III. NEED AND IMPORTANCE OF THE STUDY

With the covid-19 outbreak businesses across the world are facing multiple challenges which are forcing the organizations to change and adapt to new approaches. Most of the companies have reframed their HR policies and practices to bring a balance between their employees and the organization for sustaining in this unforeseen situation. Rethinking and redesigning the existing HR practices has become need of the hour to align with the psychological changes happening in employee attitudes. Among them Reward management is an important HR activity to keep up employees motivation which influences individual and organizational performance.

IV. FUTURE OF REWARD STRATEGIES

For those in people-management roles, reward strategies must focus on the quality of their people management how they apply the following elements and how they manage their human resources, not merely their financial and material assets.

- The relationship between an individual, their performance, and their financial rewards is complex. Any model must take many factors into account, including but not limited to:
- Clarity on expectations of the performance standards

- Reliability and validity to measure performance
- The ease with which of an employee to meet the expectations
- Impact of factors beyond the individual's control that can affect their performance
- Employee personality – what motivates and demotivates him
- financial needs of the employee
- The size of the financial reward and the extent to which individual can predict it
- Most traditional job evaluation models plays far too a high a value on pure revenue and profit generation and too little value on the wider contributions that the role makes to the success and sustainability of the organization

What should be valued and rewarded?

When pandemic was declared by the World Health Organization many organizations around the world adapted to work from home strategy. Most of the companies like TCS, Twitter, etc had even announced that they continue to work from home even after covid -19. The pandemic also invited many layoffs, massive pay cuts etc as a cost cutting strategy by many organizations.

Rethinking and redesigning the reward strategy as an unique approach to engage employees with empathy, authenticity and collective approach.

- A total reward strategy to suit the purpose
 - With a more deep focus on the internal pay equity, external scrutiny of the pay equity and sustainable pay equity
 - High priority on fairness and inclusion in talent acquisition
 - Non-financial rewards like meaningful work, career development, training , recognition and energizing work climate work can catalyse talent engagement and retention
 - Communication of these re wards with clarity and quality are also im performance objectives important
 - Designing Flexible goal setting programs under performance management programs
 - Conducting regular performance feedback and development conversations
 - Designing Short term incentive plans which can focus on individual and team
 - Alternative simple ways of recognizing employees efforts by
 - Asking them to take time off
 - Checkin and catchup connects with team
 - Celebrating small victories
- V. CRITERIA FOR REDESIGNING THE REWARD PROCESS IN THE COVID-19 ERA.**
- Reward Strategy should be:
- a) **Realistic:** With uncertainty being the only certain scenario, an individual's way of looking at basic needs have dramatically changed. The total reward system should aim to give what is needed should be real, transparent and attainable.
 - b) **Empathetic:** Policymakers of an organization should have intensified awareness of employees' needs, wants, and motivations to purposefully align these needs with their strategies to get to a win-win state.
 - c) **Well-being centric:** Rewards programs must consider people's well-being depending on their life and career stage without compromising at emotional and mental wellbeing. Before covid-19, not many organisations, had focused on employee wellness programs and policies. But research says nearly 87 per cent of the organisations have come forward to include well-being as a base of their total rewards strategic planning system.
 - d) **Adaptable:** Reward strategies must always be in line with company standards, market, current scenario and must also be flexible to change and adapt as per the need of the hour.
 - e) **Reset-able:** Policymakers have to carry on regular research on to understand the relevance of the policies and reset them if required
 - f) **Digital:** Management has to rethink and realign all their non-monetary rewards with

the digitally explored and exploited world of work.

The rewards strategy has to look and feel real in this virtual world to keep our multi-generational workforce connected, collaborated, and motivated.

A few need-based initiatives that should be considered to meet the need of the hour are:

- a) **Add-ons:** Mental Health Counselling, Wellness Counselling, Health Monitoring and Support, Reimbursement for Health and Well-being Expenses.
- b) **Redefine existing policies:** Sick Leave Policy, Remote Working Policy, and Annual Incentive/Bonus Plan.
- c) **Short-term initiatives:** Unpaid Sabbatical Plan, Swapping Budgets, Supplemental lump-sum Payments, Choices against Layoffs, LWP, and Proportional Pay.

VI. CONCLUSION: In today's competitive era organisations can gain better position by rethinking and redesigning their reward strategies as per need of the hour. Organisations which excelled in taking care of their people during these unprecedented times have already won a part of the talent war, for a considerably longer time, against the employers who chose not to change with the times. The world has seen the most unexpected transformation in just a

few months. Organisations have walked that extra mile to take care of their people and business, but there is more to be done to meet employees' needs to create a sustainable growth model.

If you don't create a great rewarding place for people to work, they won't do great work.

- Ari Weinzweig

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