## Performance And Reward Management Prof. Susmita Mukhopadhyay Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

## Lecture - 25

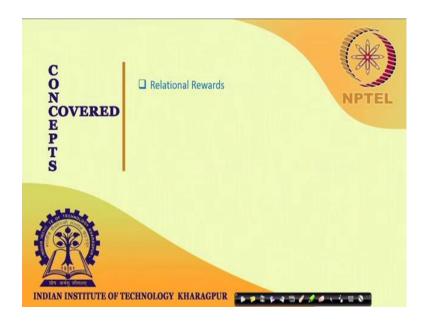
Role of performance management in employee development, addressing performance management skills and team reward management (Contd.)

Welcome to the last section of the module on Role of performance management in employee development, addressing performance management skills and team reward management. In today's concept you are going to discuss on a very very important and beautiful kind of rewards for the in there in the organization which we call of relational rewards. In the past sections also we were emphasizing like though we seek, look more into like the how much financial rewards we are getting from the organization in terms of the monetary value, but which really makes a long lasting effect are the non financial rewards.

And because it gives due respect to the worth of the employee as a human being takes into consideration the growth needs of the employees and like the social esteem of the employees and helps them to grow and you know like it take different think of career development, it develops a good relationship with your other team members and the other stakeholders.

So, non financial rewards that you get, it help you to maintain your work life and also to nurture your interests and make yourself grow. So, these are very very important aspects of a person's life, because money can answer some of our needs; but it cannot answer all of our needs. So, what happens today, we are going to discuss one of the beautiful sections of reward which is called the relational rewards.

(Refer Slide Time: 02:19)



So, the topic of today like that we are going to cover our relational rewards.

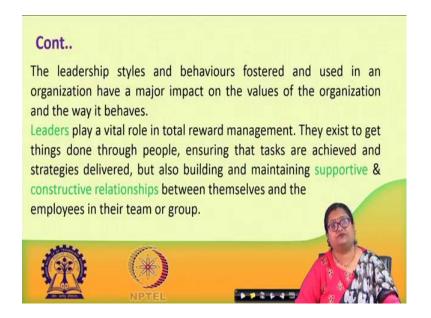
(Refer Slide Time: 02:23)



So, when you talk of relational rewards we find like first of the relationships that we have in the workplace is that with the leader and from that leader, we draw our inspirations and values. So, the as Daniel Goleman puts said like the very cranky and ruthless boss creates a toxic organization fills with, which are filled with negative underachievers who ignore opportunities. But like an inspirational and inclusive leader spawns acolytes for whom they any challenge is surmountable.

So, the first relationship is that we have in the office like is that affirm like looking into the leadership. So, what is the inspiration that we can draw from the leaders, what are the values that you can learn from the leaders are very important with relation that we look forward to and also like whether do like they respect the their team members also like the do they respect the others as like holistic human being. These are important ways of looking at this relationship. So, the first is that of inspiration and values.

(Refer Slide Time: 04:04)



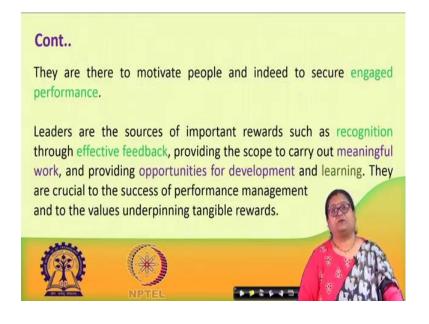
So, as we understand like the because the leaders play a vital role in the organization. So, the leadership styles and the behaviors which are fostered and used in the organization have a major impact on the values of the organization and how it behaves. So, the personality pattern of the leader, sometimes define the personality pattern of the organization and the expectations that are set by the leaders from the team members and what others are going to follow. So, these kind of things are important when you talk of like designing of a reward management system.

So, when the because the leaders have a vital role to play in reward management. So, their job is to like get things done through people like the tasks, so that the tasks are achieved and strategies delivered, but it is also through developing and maintaining a supportive and constructive relationships between themselves and the employees in the team or the group. In the last discussion, we have discussed them about if you remember high clarity in role and low clarity in role like level of high rapport with the team

members and low rapport with the team members and how we find like the different like based on that what are the like performances that can be expected from the different kinds of like situations, where there is high like high clarity and high rapport to high clarity and maybe less of rapport between the team members and how the communication happens between the two into these two different kind of situations, how we start the dialogue with each other, how we start the social dialogue is very important.

And so and what kind of discussions happened, what are the strategic discussions happening, what are the technical discussions happening and does it lead to an integrative level of like communication also. So, these are important aspects when you are talking of supportive and constructive relationships. Because if it is so, then the employees will look up to the leaders not only as like the people who can help them with the task but also at people from which they enjoy their inspiration to get motivated to work in a better way.

(Refer Slide Time: 07:02)



So, the leader's position is very important because they are to motivate people and to secure engaged performances from them. So, leaders are sources of very important rewards for the employees by recognition through effective feedback and providing scope to carry out meaningful work, providing opportunities for development and learning.

So, they are very crucial to the success of the performance management and to the values of underpaid intangible rewards. So, leaders they need to lead by examples the things that they preach they should be practicing themselves first, they should inculcate certain values within themselves, a philosophy of life, a way a worldview of looking at things in certain way, like so that when they speak, when they do something when they are showing how to do it, people get motivated by looking at them, working at them. There is a whole lot of comfort zone that the other employees feel in working with these people sharing of information becomes easy, because they can feel the warmth of the relationship the trustworthiness.

So, these are very important ways that the leader can help a person to get adjusted into the organization to feel comfortable in the organization; how to give a feedback so that no word it is like I am demeaning a particular person, but that effective feedback helps me to develop. So, these are certain qualities that are expected in a leader who can contribute well to the performance management by giving this relational rewards to the employees.

(Refer Slide Time: 09:14)



Next important point in relational rewards are the organization values and behaviors. So, the organization itself has a set of core values and which defines the what could be the rewarding environment in that of the organizing in the organization.

My core values will define the work environment. If I feel suppose like if an organization feels like the women are also capable of doing the same thing as that of the means and accept the reality like due to biological reasons and all people women employees may need to take certainly may be due to motherhood and other things. So, but if given a chance they will be able to contribute in a better way and become good part of the team members.

So, here in the work, work environment if it is to be made rewarding work environment for employee for female employees maybe people will think of like rewarding developing the reward structure in such a way like there is more of maybe flexi time, work from home, join back after a gap kind of with learning and development opportunities.

So, people can catch up from where they left and they can re work from home, these kind of combinations of things may help women to come up and join the workforce and be like very contributing members to for the performance of the organization. So, the main thing is the vision and the set of values which are embedded in this organization and which can be measured and which are managed properly.

So, for like to be a successful organization which thinks about the employees and connects their perspective of life with that of the organizational perspective why it exists. So, it is found by research like those companies which had a clear vision and a set of values like what they are going to follow and what they are going to abide by, what are those things that that they are not going to do, they should not do the moral codes of conduct ethical like codes of ethics written. So, it was found like the company which had the clear vision and which is the set of core values, which were embedded in enduring and collectively, measured and managed where the organizations which were more successful.

(Refer Slide Time: 12:43)



So, another important like relational reward is that of the reputation of the organization, what happens every employee looks after social esteem and by joining a particular organization with a reputation; the need for social esteem gets satisfied for a particular employee. So, like people generally want to work for high reputation employer so, it is because it really gives a good feeling to see the organization move up to the 'best companies to work for' league table and attract like good press coverage for it is contribution to the national life.

So, actually this is often a value proposition for like the employee when you talk of employer branding, which is that employer I would like to work for because that is when I start working for that employer and like I am working for that particular brand and it shows like I am also like that kind of organization and sharing same kind of values as that at the organization which helps to increase my both social esteem and self esteem also. So, it was seen in 2019 like the top companies which are listed in released by LinkedIn shows.

That those companies with an informal work cultures emerge to be the most desirable companies like Flipkart, OYO, Swiggy and many others, because generally what happens in informal work cultures there is more flexibility of like communication, more flexibility regarding job charming and design and people came maybe can balance out both their professional front and personal front in a better way. So, this happens like in

formal work cultures, they can speak out their mind effect there and take suggestions from anywhere so, these are the characteristics. So, like the most desirable companies like Flipkart, OYO, Swiggy and others and that has given them the flavor for success also.

(Refer Slide Time: 15:28)



So, in communication what we find over here communication is very very important in and how you communicate with your employees, tells about that how much you respect you have for employees, do you treat them to be equal, do you treat them to be equally powerful or not.

Though it is so what we understand by communication so, it is not just about the quality of organizational communication, transparency. So, what it is an important part of like the respect equation is the employee voice. So, it is in term which is increasingly used to cover at the whole variety of processes and structures which enable and sometimes empower employees directly and indirectly to contribute to the decision making of the firm.



So, whenever we are talking of employee voice we have to find like it is not only employees are voicing about what they should get and what they are not getting, but also they may voice sometimes about the what changes if introduced in what way is going to have better performance from the organization as well as its employees.

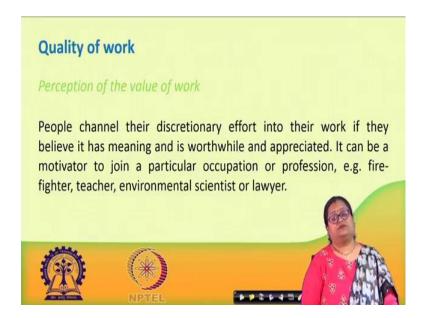
So, we need to give a proper hearing to the voice, find out the merits is in that voice and inculcate it into the system of the organization and that is really very rewarding for the employees. So, when we talk of like having a voice in the affairs of the firm it is itself rewarding because it country recognizes the contribution of people towards like making the success of the organization.

So, people may have voice regarding many things starting from normal working conditions, then working relationships between themselves and their managers. So, what you have to see the organization through its policies for involvement can provide motivation and increased commitment and engagement by putting people into situations where their views can be expressed listened and acted upon.

So, what if we are open to know about the voices then people if there is an atmosphere of trustworthiness and trust, the feeling of like less of fear of getting punished, then people are going to open up more about the requirements of the what is going to make them things work better so and that will make the employees get more involved in the process

of the world. So, employee voice is one of the important avenues for promoting better performing employees because they can understand my contribution matters.

(Refer Slide Time: 19:09)



So, when we talk of the quality of the work. So, people may channelize their discretionary effort into the job like if they believe like it is, it has meaning and it will be worthwhile and it will be appreciated.

So, if you feel like with this if you think in doing things differently and that gets appreciated in your organization people recognize your efforts of doing things differently, then it gives you motivation to also to try out for newer things and contribute to the organization with your suggestions.

So, it can be like your motivator to join a particular occupation or profession like firefighter, teacher, environmental scientist or lawyer, because this is where like you are making your independent judgment and trying to implement it to the work and find out like whether it is working or not and how it is getting appreciated by the related important people. So, based on that that makes my job feel important to me so, because of this if an atmosphere like this is there so, it will help people to contribute more to the job situation.

(Refer Slide Time: 20:50)



So, rewards can come as a consequence of the way in which leaders treat their people and their contribution. So, it is very important for the leader to be comfortable with the contribution made by the team members and contribution towards the objectives of the organization at large. So, Asda, for example, have demonstrated that people working in checkouts and other relatively unskilled bases of job can perform well in a high morale environment, because they feel valued by their store managers and are encouraged to reach out and contribute to charity work and life of their community.

So, what do you understand like people who are working in checkouts. So, this is some kind of monotone job no variety doing same thing day in and day out. So, people somewhere like feel and nobody generally is there to like appreciate whatever they are doing and tell them you are doing a very nice kind of job.

And that is where they may feel like the certain disappointed like I have doing this time and again throughout the day so, like what value addition do I see to myself. So, based on that what we find over here like, when in an high morale environment because we understand; then nature of the job, the nature of the people in terms of education and in terms of like the behavior required. It is very important to develop a high morale environment which will make the employees feel like they are valued by their store managers and they are also like encouraged to contribute and to the charity work and life of the community. So, that these also helps people to get a better sense of social esteem.

(Refer Slide Time: 23:26)



So, as we were discussing then in the slide of like the checkout jobs are some kind of like monotonous jobs also. So, relatively now very few people are in the increased knowledge based economy they choose to very few people, choose to work in jobs that are repetitive in nature or boring and where there is like little interest to work. So, if they want to do it like we have to choose a job based on their interest and then what happens like either you change your job and go for your interest or you develop your interest in the present job. So, there could be 2 ways.

So, if they want to like create interest instantaneously, because they are, their interest and the things that they want from life are not getting fully filled to repetitive and boring job, then they have to like go maybe go and changing jobs because sometimes in order it may not be possible like all the jobs that are offered by the organization matches exactly with the interest level that we have and somewhere we need to assimilate somewhere we have to accommodate also and develop the interest in that particular area in which we are doing a job. So, when we find like for professionals like the challenges faced in the job and whether it is interesting or not (Refer Time: 25:39) to typically critical components for their intrinsic reward and it is a real demotivator if it is missing.

But here we have to understand again like we cannot go on changing jobs again and again to match my specific interest, because the jobs can match your interest in a general way, but very specific to your own personnel need those types of jobs or may not be

available. And if you are searching for trying to search for a job which will match with your level of interest you may have to go on searching for newer jobs every day, whether you should go for it or you will try to develop your interest in the area in which you present you are in your job, you have to make a critical decision about it.

(Refer Slide Time: 26:37)



Like Robertson identified 5 kinds of influence in development of rewarding jobs and role area. So, influences skill variety, providing opportunities for people to do several tasks and combine tasks. Influence task identity, combining tasks to form natural work units. Influence task significance, forming natural work groups and informal people the importance of them and informing people about the importance of their work.

(Refer Slide Time: 27:50)



So, tasks variety, skill variety, task identity and task significance are the primary influences. So, what are the opportunities for people to perform on the task; like, combining tasks to form natural work units and going for task significance like forming natural work groups and informing people on the importance of the work. Influence autonomy is also very important, because given people the responsibility for determining their own working systems and making their own decisions.

So, this is very important again, but we have to understand maybe this autonomy is given to whom. So, when we are talking of reward management and mapping performance with the reward management we should not try to think like as a blanket the type of coverage we are giving same kind of reward to everyone.

So, what it may so happen when you talk of autonomy given people responsibility of determining their own work system, it may work well with some people if they have that need for getting empowered to so, the need for freedom of decision making I will be very happy to decide and so on my own something and contribute to the organization. And it should be backed by my competency of understanding and doing things also.

Otherwise if those background checks are not met and we do not take like very pragmatic call on autonomy should be given, but to whom and to what level they later on it may lead to some problems, where people will not see sometimes autonomy as a gift they may think it to be a threat to themselves. Because now they have to think give

suggestions for themselves others may interpret it to be bad then so, what happens who takes care of those things.

So, because autonomy needs to be respected autonomy brings in like accountability so and autonomy requires on the lot of courage on the part of the employee also to respect it and do things as required. So, many people who have a fear of what others are going to think what they will do, why should I take the trouble and all. So, it is like organization is making me work more without increasing my payment in terms of autonomy.

So, all these kinds of thinking if it influences a particular person, then maybe autonomy is not going to improve any performance rather it is going to put a threat on the stressful to the employee. Influence feedback so, like it helps to open and use the feedback channel.

(Refer Slide Time: 31:00)



So, it is very important like how feedbacks are used and used by whom and for what purpose these are also important points of developing a rewards, rewarding jobs and like rolls, rolls area. So, influence and skill variety, task identity, task significance, the influence and the autonomy and influence of the feedback, but again we are telling it should be first being mapped with the needs of the employees. And then we need to slowly think of whether to give autonomy and if given to whom and in what amount, because it may get like misrepresented like practiced in a way like were giving autonomy

means getting rid off my own responsibility of doing something and putting that on the employees so, that it becomes a part of blame game also.

So, now if something wrong is done and it comes to me then I will tell I have not done this thing these were delegated the other person has taking the decision and it is you have to go and talk or catch that person so, that is a wrong interpretation and wrong use of the word autonomy.

So, whenever we are talking of autonomy the intention of giving the autonomy from the leaders needs to be very carefully understood, autonomy given to the employees being important empowered does not mean I can wash off my hands from taking any responsibility, but it is my part of responsibility also to see and provide hand holding support to the employees to whom autonomy is given. So, that initially they can start their journey with my support to use that autonomy for making better decisions for the organizations.

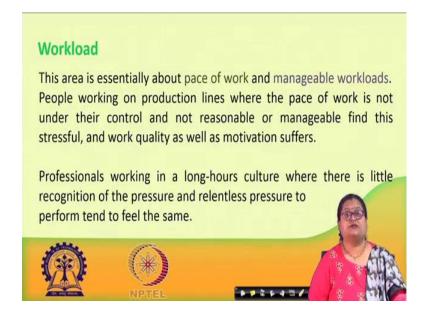
(Refer Slide Time: 33:16)



So, this we understand like the less of people work in a try to work in a situation in which there is a command control based on environment and more people want to be treated like adults and measure freedom and autonomy, so that go about it they are worth. So, this helps in developing high trust the workplace also, but again this crucial question needs to be answered, autonomy if given to whom for what respect and to what

amount it is very very important question to be answered, otherwise this may act in a wrong way and affect the performance of the organization.

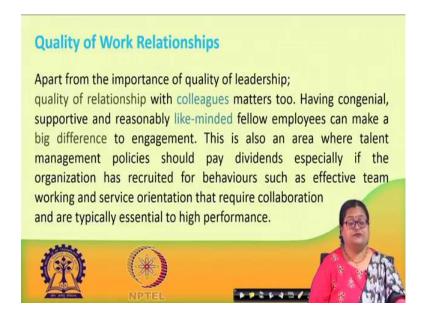
(Refer Slide Time: 34:12)



Workload so this we talk of like the essentially about the pace of work and manageable workloads. So, people working on production lines where the pace of work is not under their control or not reasonable or manageable really finds this stressful and working work quality as well as the motivation suffers. So, few people who are working in long hours culture where there is little recognition of the pressure and relentless pressure to perform, tend to feel the same, but this may have affect the psycho-social system, physiological system of the employee and may lead to certain diseases and also disorders.

So, when you are talking of work pressure workload so how much of the of that pressure they should be joined goal setting. So, that the employer and employee knows both like how much of workload is going to give an optimum level of performance. It should not be less than that because then again that will people idle and it should not be more than that because again why that working for so long hour's people may get drained off. So, what is the correct balanced workload given which will give the employees also a sense of achievement of reaching particular target and should be taken care of and it also should be less stressful to the workers.

(Refer Slide Time: 36:12)



Apart from the, we were discussing here mainly focused on the quality of relationship with the leaders, but apart from that quality of relationship with the leaders another quality of relationship which really matters is that of colleagues. So, having congenial supportive and like-minded fellow employees can make a big difference in employee engagement. So, this is also an area where the talent management policies should pay it is dividend specially like in organizations which have recruited teams for effective team performances and service orientation that require collaboration and are typically essential for high performance.

So, in high performance work teams the collaboration between the people are very important because they are going to they collaborate it each other, their skills are complementary to each other and together they are going to develop something new which are going to like contribute to the development of the organization in a proper way with well aligned with the values of the organization. So, when you are talking of like working in a team and relationship with colleagues so, having like-minded people around me sometimes help us to like share our views and increase our performance level.

(Refer Slide Time: 38:00)



Another important relationship that people have is with their of other facets of life. We have to understand the employees spends some hours out of 24 hours in the work organization, but beyond that the person has many other relationships to maintain and many other responsibilities to do things like both at work, home, maybe with families, with friends and maybe in the community and maybe with their pets, because that is a relationship of the human being with the animals. So and when we have a pet it is a very emotional bonding that we have in the pet and sometimes many people who stay alone, it is a like point of worry for them when they will be in the working situations offices, who are going to take care of their pets.

So, there are certain needs of employees outside their work and work practices, but which has a considerable impact on how the person is thinking about, whether he or she is able to do justice to the requirements of the job and the justice to the requirements of the non work facets of life. And there is sometimes maybe a lot of guilt feeling happening, when we come to work we feel we have not been able to contribute properly to the non work domain, when we go for the non work domain and maybe we have to leave early for it to do something different like we could not come or we had to like take care of her non work responsibilities while in the process of work.

So, then we also feel guilty like maybe we have not been able to contribute properly to the goals of the organization also and there is a lot of dilemma backward forward movement in the mind of the employees based on like which facet of life to choose, which facet of life is more important than the other facet. So, we have to understand like people do not leave their lives behind when they come to work, but the whole person is a holistic person they come to work.

So, if when you talk of relational rewards so, this is where the if the organization realizes this relational part like here, till now we have discussed relationship with the leader's relationship with the colleagues and team members' relation with the work itself, but there is a bigger relationship with the employee with the non work domain as well. So, when the organization realizes these things and take certain practices which are going to help it is going to reduce lot of stress and dilemma that the employees face due to the fact maybe they have not been able to do justice to the demands of the roles either from the work or from the demands of the roles from the non work domain of life.

If the organization extends the hand of support to take care of the non work domains of life and provide avenues for blending these 2 things together, then really it's a like magic happens. So, like when we talk of some example like some pet friendly companies with open door policies like which let dog owners to take their dogs to work often have benefits cited like stress relief as one of the reasons for allowing like dogs in the office. Similarly like when we talk of like mother leaving of newborn baby in home and then coming to office, but if we have a day-care center if you have a crèche in the office, then it really helps to relieve the stress of the mothers.

Now, many employees are playing the role of caregivers because at home be may be having a special child they may be having ailing parents and they may be having ailing spouses also. We do not know there are different critical situations of person's life where people have to play the role of caregivers and playing the role of caregiver itself is very stressful where the person has to devote a considerable time and energy to take care of the well being of the persons whom they are taking care of.

So, if there are employee friendly policies in the organizations, regarding job work design, job design for the regarding leave design for the caregivers and which is going to support them in their role as a caregiver also in terms of how they can manage their leaves, how they can manage them their working hours, it is going to give a lot of social support to the employees.

And they will feel like engaged with the work also, because when they feel like the organization is taking care of their small needs and respecting their life situations. It gives a feeling of feel good factor and the employees also feel like contributing in a more dedicated way and in a better way towards the goals of the organization through improved and engaged performances.

(Refer Slide Time: 44:27)



So, what we were discussing about like taking pets to the office and here you find like when the dogs are taken to the work, the employees break the ice during tense meetings and encourage more friendly socializing in the office. So, Amazon like is proud of it is take your dog to work policy often highlighting that more than 6000 dogs that accompany their humans to work in everyday Amazon facilities.

(Refer Slide Time: 45:07)



So, what you can see over here a picture of a pet friendly company and your etiquettes of while you take your pets to office. So, they enjoy the slide try to work on more of these kind of incentives that is going to help employees to look into the all the facets of the life contribute effectively not only to work, but all the facets of the life situations which will give mental peace to the employee, restore the mental health of the employee, make them less stressful, make them more happy and better employees who can contribute in better way not only to the excellence of the organization, make them grow also as human beings and contribute in a better way to the community at large.

Thank you we will meet you in the next module.

(Refer Slide Time: 46:11)



Goleman, D, Boyatzis, R and McKee, A (2002) *Primal Leadership: The hidden driver of great performance, Harvard Business School Press, Boston,* MA

Boxall, P and Purcell, J (2003) Strategic Human Resource Management, Routledge, London

http://fortune.com/2018/06/22/take-your-dog-to-work -daypet-friendly-companies/





