

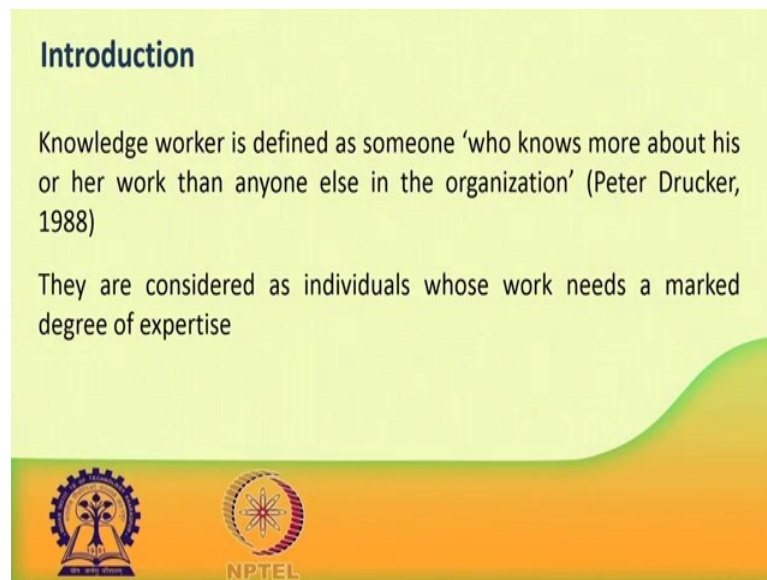
Performance And Reward Management
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Lecture - 46

Rewarding Special Groups, rewarding directors and senior executives, sales and customer service staff, knowledge workers and manual workers (Contd.)

Welcome to the topic on Rewarding Special Groups, rewarding directors and senior executives, sales and customer service staff, knowledge workers and manual workers. Today we will discuss on Rewarding knowledge workers.

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Introduction

Knowledge worker is defined as someone 'who knows more about his or her work than anyone else in the organization' (Peter Drucker, 1988)

They are considered as individuals whose work needs a marked degree of expertise

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Now, why this is important and who are knowledge workers. So, knowledge workers are workers who knows more about his or her work than anyone else in the organization and we understand knowledge workers as those workers as those individuals whose works needs a marked degree of expertise. So, one who knows better about his or her work than anyone else in the organization and it requires a marked degree of expertise in doing that work, these qualities define a knowledge worker.

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Knowledge workers (groups as academics, accountants, HR professionals, IT specialists, lawyers, media workers and researchers)

Contribution made by knowledge workers need to be considered while framing the reward policies to attract, retain and motivate them





The knowledge workers are grouped as academics, accountants, HR professionals, IT specialists, lawyers, media workers and researchers. So, the contributions made by knowledge workers need to be considered while framing the reward policies to attract, retain and motivate them. We understand like the these are people who are like contributing by the level of expertise that they have in their particular domain and so, how to reward them, attract them and like motivate them, retain them is a particular organization is like these needs to be thought of like while we are framing the reward policies.

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What motivates knowledge workers?

Tampoe (1993) identified four key motivators:

- Personal growth: the opportunity for individuals to fully realize their potential.
- Occupational autonomy: a work environment in which knowledge workers can achieve the task assigned to them



Now, it is very important to understand what motivates the knowledge workers. So, here again may be in this context we will revisit the concepts of intrinsic rewards and extrinsic rewards in a particular job; the intrinsic motivation and extrinsic motivation of the job elements and how to design the reward system. So, as Tampoe in 1993 identified four key motivators. The first motivator that you see are the personal growth opportunities; the opportunity for individuals to fully realize their potential in the organization. Occupational autonomy, a work environment in which knowledge workers can achieve the task given to them.

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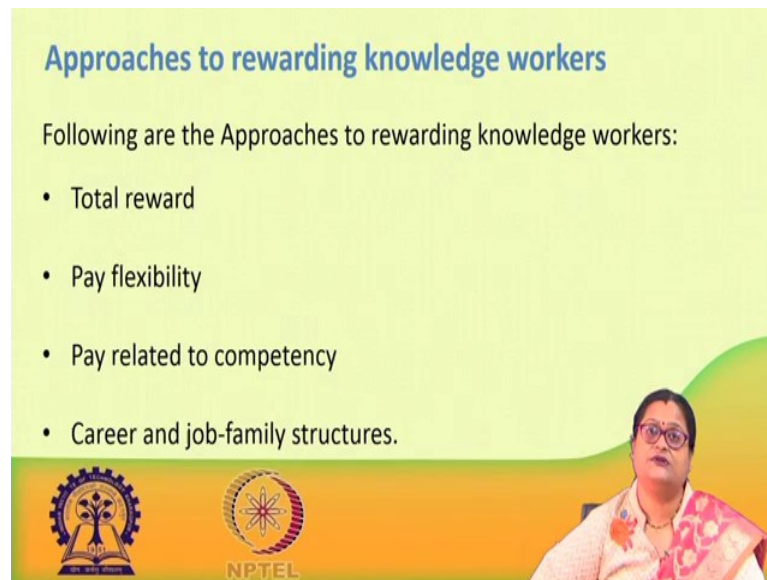


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- Task achievement: a sense of accomplishment from producing work that is of high quality and relevance to the organization.
- Money rewards: an income that is a just reward for their contribution to corporate success and that symbolizes their contribution to that success.

The task achievement is a sense of accomplishment from producing work that is of high quality and relevance to the organization. And of course, at the end there is the money rewards, an income that is just to reward for their contribution to the corporate success and that symbolizes their contribution to that success. So, what you see the here it is more on the like intrinsic reward qualities while talks a personal growth occupational autonomy task achievement and the finance part is the monetary rewards.

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Approaches to rewarding knowledge workers

Following are the Approaches to rewarding knowledge workers:

- Total reward
- Pay flexibility
- Pay related to competency
- Career and job-family structures.

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Now, if that is the scenario of what motivates a knowledge worker then what are the approaches to rewarding a knowledge worker. The following approaches are taken first is that of total reward, pay flexibility, pay related to competency and career and job-family structures.

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Total reward policies

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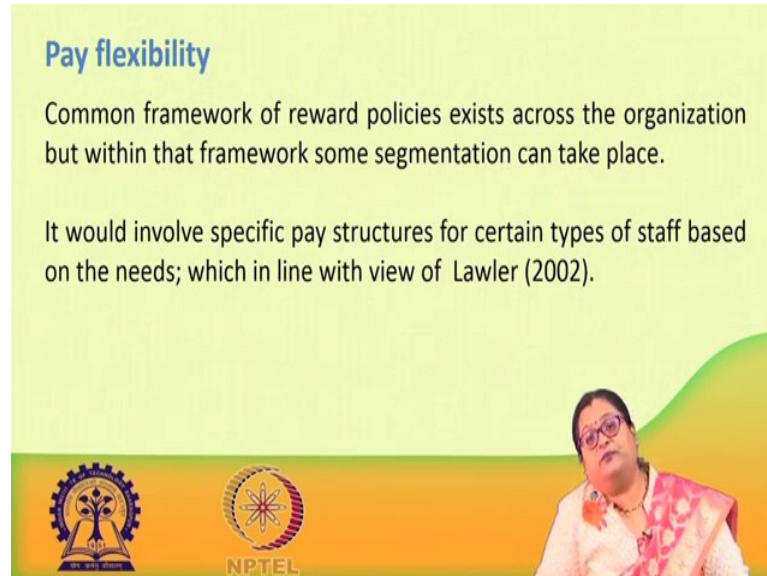
- Compensation: salary, performance-based bonus and stock options.
- Benefits: non-contributory pension, life cover, private health care, perks and cars.
- Work experience.

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We will visit each one of these separately. Total reward policies, it includes like the compensation in terms of salary, performance-based bonuses and stock options. Benefits

in terms of non-contributory pension, life cover, private health care, perks and cars and work experience.

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Pay flexibility

Common framework of reward policies exists across the organization but within that framework some segmentation can take place.

It would involve specific pay structures for certain types of staff based on the needs; which in line with view of Lawler (2002).

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When you talk of pay flexibility, common framework for reward policies exists across the organization, but within the that framework some segmentations can take place. It would involve specific pay structures for certain type of staff based on the needs; which is in view with the Lawler. So, it is dependent on the type of needs that the person has.

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Pay related to competency

There are three ways of doing this, as described below:

- By competency-related pay
- Through structures in which grades or bands are defined in competency terms
- The incorporation of skills and competencies into job evaluation factor plans.

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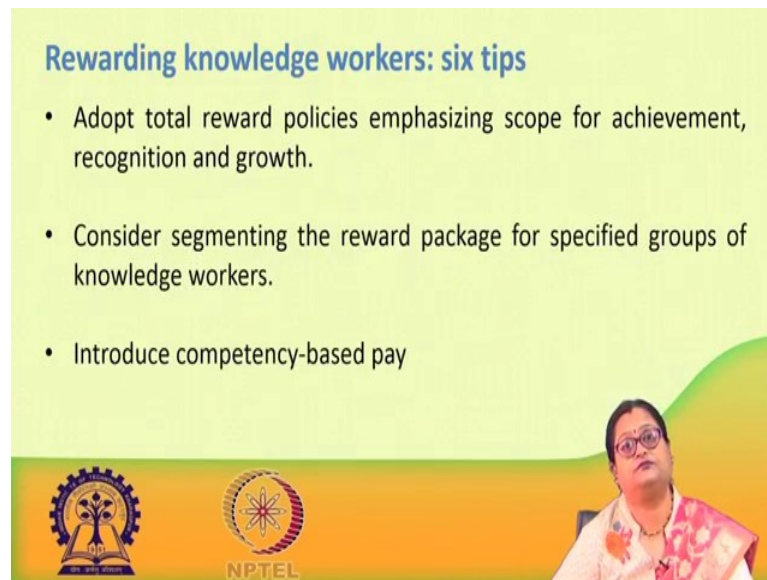
When you talk of pay related to competency; so, there are three ways of doing it by competency-related pay, through structures in which grades or bands or pay bands are defined in competency terms and or the incorporation of the skills and competencies in the job evaluation factor plans. So, if you are moving from a lower degree to higher degree of positions in the organizations, there is a change in the levels of competencies required also and that your promotion.

And the increase in salary based on the higher you are being able to achieve a grade for higher proficiency, higher expertise, higher competency these could be relations of pay with the competency level of the individual, job and career families these are also done in terms of competency related pay. The structures in which like the grades or bands are defined in terms of competency terms then the jobs and families are career families are grouped together and the incorporation of skills and competencies into the job evaluation factor plans.

So, the difference of the pay related to competency with this is like its more or less the same here in job and career families, what is done the jobs and the careers which are having similar nature of competencies, transferable skills are grouped together in to similar kind of family. So, if I want to see a career change if I want to like extend my competencies, then what happens I can, I can transfer my skills so, from one job situation to other job situations.

Then I can see like in what all domain I can function because the jobs are grouped together based on the commonness of the competencies may be the proficiency levels are going to vary. But then that is going to give me a hint on like in what all areas I can spread myself and in what all areas I can develop myself when the jobs are grouped into like jobs and career families. Like the jobs having the similar factor nature in respect of the competencies are grouped together under jobs and career families.

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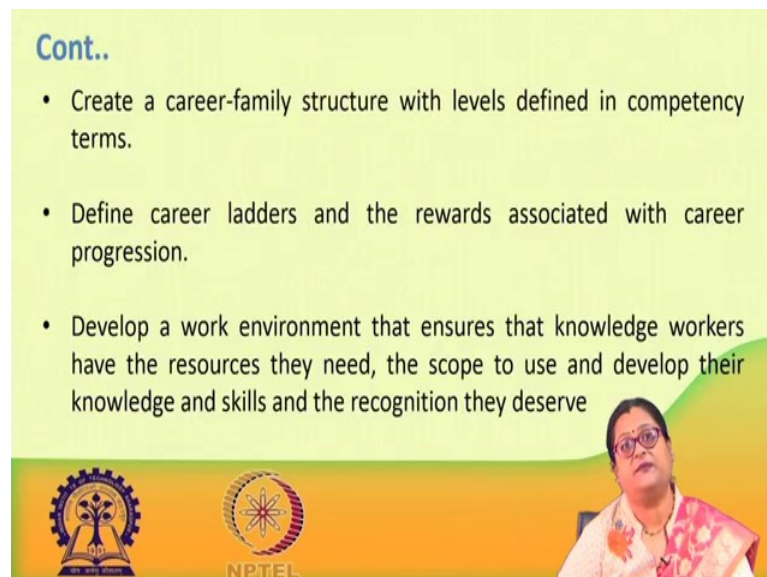
Rewarding knowledge workers: six tips

- Adopt total reward policies emphasizing scope for achievement, recognition and growth.
- Consider segmenting the reward package for specified groups of knowledge workers.
- Introduce competency-based pay

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There are again we are going to share with you six tips of rewarding knowledge workers like adopt total reward policies emphasizing scope for achievement, recognition and growth. Consider segmenting the reward package for specified groups of knowledge workers, introduction of competency-based pay.

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- Create a career-family structure with levels defined in competency terms.
- Define career ladders and the rewards associated with career progression.
- Develop a work environment that ensures that knowledge workers have the resources they need, the scope to use and develop their knowledge and skills and the recognition they deserve

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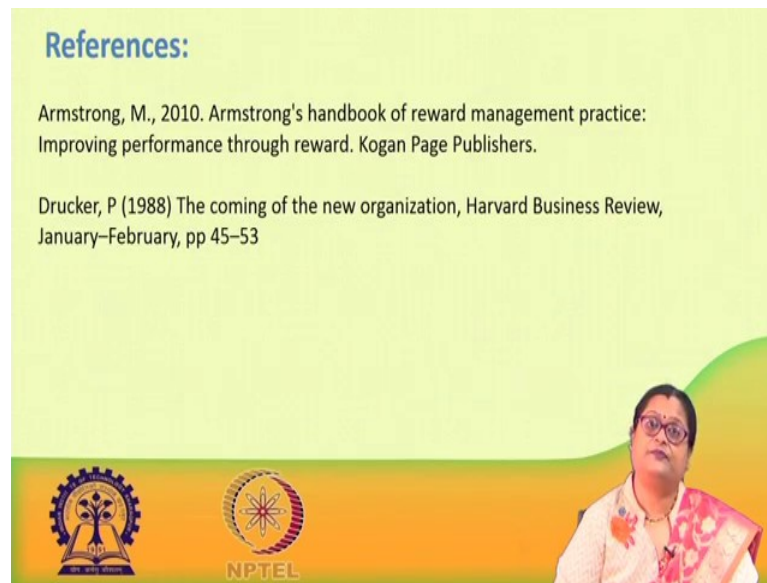
Create a career-family structure with levels defined in competency terms. Define career ladders and the rewards associated with career progression. So, this is where we get from this career families like as we are talking of like when jobs are group together and the

career families are group together. Then I can see like how I can shift from based on the commonness of the competencies that I have then whether I can shift from one career to another or add on certain competencies. So, that I can fit into multiple career options also because at the certain stage of life people may would like to shift their careers. So, if I know like what are the related careers in which I can shift this is going to be motivating for the knowledge worker.

So, based on that create a career family structure with levels defined in competence terms, define career ladders; ladders and rewards associated with career progression. Develop a work environment that ensures that the knowledge workers have the resources they need, the scope to use and develop their knowledge and skills and the recognition that they deserve. Because if you have seen over here when we have talked about the four motivators, the financial part is only one motivator the other three are of course, the intrinsic rewards and motivation. Like recognition of good work environment, meaningful job and way to scope for developing oneself or scope to contribute positively to the objectives of the organization; these are again positive motivators for knowledge worker.

So, developing a work environment that ensures that the knowledge workers have the resources they need the scope to use and develop their knowledge and skills and the recognition they deserve are important things when we are talking of motivating a knowledge worker through the reward design for them.

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References:

Armstrong, M., 2010. Armstrong's handbook of reward management practice: Improving performance through reward. Kogan Page Publishers.

Drucker, P (1988) The coming of the new organization, Harvard Business Review, January–February, pp 45–53

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These are again the references that we have referred to for discussion on this topic, these are beautiful readings you can go through it and also we will be discussing on the motivating the reward design for the manual workers in the next session.

Thank you.