

# [HR Planning, Talent Acquisition, Retention and Reward Strategies]



## Lecture Title: [Reward: Evaluation and Cultural Context]



**Lecturer: Paul Gauci**

**Date: Friday 20th June 2025 13.00hrs-17.00Hrs**

**Masters in  
Human Resources Management**

# Learning Objectives

- **Evaluate Reward Strategies:**
- Learn how to evaluate the effectiveness of reward strategies and make necessary adjustments. A structured approach will be presented: Define Clear Goals; Gather Data; Analyse Feedback; Benchmark Against Industry Standards; Assess Cost-Benefit Ratio; Identify Gaps; Pilot Adjustments; Implement Changes; Monitor Continuously.
- **Explore how reward strategies vary across different cultures and international contexts.**
- Reward strategies often differ significantly across cultures and international contexts due to varying values, norms, and motivational factors. These include Individual vs. Group-Oriented Rewards; individualistic cultures; collectivist cultures; Monetary vs. Non-Monetary Rewards; Power Distance and Hierarchy; Recognition Practices; Cultural Attitudes Toward Short Term and Long-Term Rewards.



# Learning Method

- **Lecture focused on learning objectives** supported by **formative assessment tools**, to provides feedback and information during the instructional process, while learning is taking place, and while learning is occurring.
- Formative assessment through participative learning activities will be utilised evaluating students' comprehension and academic progress throughout the lecture - particularly with respect to understanding and applying HRM concepts.



- Evaluate Reward Strategies: Learn how to evaluate the effectiveness of reward strategies and make necessary adjustments.
- A structured approach will be presented: Define Clear Goals; Gather Data; Analyse Feedback; Benchmark Against Industry Standards; Assess Cost-Benefit Ratio; Identify Gaps; Pilot Adjustments; Implement Changes; Monitor Continuously.



- Evaluating the effectiveness of reward strategies is critical for ensuring they drive desired behaviors, support organizational goals, and provide a solid return on investment.
- Here is a structured approach to help you systematically assess and improve reward strategies:



# 1. Define Clear Goals

- Before evaluation begins, ensure that the objectives of your reward strategy are well-articulated. These may include:
  - Increasing employee retention
  - Boosting productivity or performance
  - Enhancing employee engagement
  - Aligning employee behavior with company values
- **Key Actions:**
  - Link reward strategies to business objectives.
  - Set measurable KPIs (e.g., turnover rates, engagement scores, performance metrics).



## 2. Gather Data

- Collect quantitative and qualitative data to evaluate current strategy performance.
- **Sources may include:**
  - HR analytics (turnover, absenteeism, performance trends)
  - Employee engagement surveys
  - Exit interviews
  - Compensation and benefit utilization reports



# 3. Analyse Feedback

- Interpret the data to understand how rewards are perceived and whether they influence behavior as intended.
- **Key Considerations:**
  - Are employees aware of and satisfied with the rewards?
  - Which rewards are valued most?
  - Are there complaints or suggestions regarding current offerings?



## 4. Benchmark Against Industry Standards

- Compare your reward strategy with competitors or industry best practices.
- **Benchmark areas:**
  - Salary and total compensation
  - Benefits packages (healthcare, wellness, perks)
  - Non-financial rewards (recognition, career growth opportunities)
  - Incentive structures
- **Tools:**
  - Industry surveys (e.g., Mercer, Willis Towers Watson)
  - Government labor data
  - Peer comparisons



## 5. Assess Cost-Benefit Ratio

- Examine the financial impact versus the strategic benefit of each reward component.
- **Consider:**
  - Direct costs (e.g., bonuses, benefits)
  - Indirect costs (e.g., administration, time investment)
  - Tangible benefits (e.g., performance improvements)
  - Intangible benefits (e.g., employee morale, employer brand)



## 6. Identify Gaps

- Spot areas where your current strategy falls short.
- **Look for:**
  - Misalignment with employee needs or business goals
  - Inconsistencies in reward distribution
  - Underperforming or unused rewards
  - Equity and inclusion issues



# 7. Pilot Adjustments

- Before full implementation, test changes in a controlled setting (e.g., one department or team).
- **Advantages:**
  - Collect early feedback
  - Identify unforeseen issues
  - Adjust strategy before scaling



## 8. Implement Changes

- Roll out the refined reward strategy across the organization.
- **Ensure:**
  - Clear communication to employees
  - Training for managers and HR
  - Updated documentation and systems



# 9. Monitor Continuously

- Evaluation is ongoing. Track performance and sentiment regularly.
- **Tools:**
  - Pulse surveys
  - Performance analytics
  - Regular review cycles (quarterly, annually)
- **Adjust as needed based on:**
  - Business changes
  - Employee feedback
  - Evolving workforce trends



- **Final Thoughts**

- A structured approach enables consistent, data-informed decisions about reward strategies.
- It ensures alignment with organizational objectives while meeting the evolving expectations of employees.



# What is Total Rewards? A Model

- <https://www.youtube.com/watch?v=FTPY3QShvGo>



- Explore how reward strategies vary across different cultures and international contexts.
- Reward strategies often differ significantly across cultures and international contexts due to varying values, norms, and motivational factors.
- These include Individual vs. Group-Oriented Rewards; individualistic cultures; collectivist cultures; Monetary vs. Non-Monetary Rewards; Power Distance and Hierarchy; Recognition Practices; Cultural Attitudes Toward Short Term and Long-Term Rewards.



- When designing and implementing reward strategies in international and cross-cultural contexts, it's essential to understand how cultural values, societal norms, and employee expectations influence what is considered motivating and fair.
- Here's an exploration of **how reward strategies vary across different cultures and international contexts**, structured around key cultural dimensions:



# 1. Individual vs. Group-Oriented Rewards

- **Individualistic Cultures** (e.g., U.S., UK, Canada, Australia):
  - Emphasis on personal achievement, autonomy, and individual performance.
  - Rewards like merit-based bonuses, promotions, or recognition are typically individualized.
  - Employees expect to be acknowledged personally for their contributions.
- **Collectivist Cultures** (e.g., China, Japan, South Korea, Latin American countries):
  - Emphasis on group harmony, loyalty, and team success.
  - Group-based rewards such as team bonuses, profit-sharing, or department-wide recognition are more effective.
  - Public recognition of individuals may even be uncomfortable or discouraged.



## 2. Monetary vs. Non-Monetary Rewards

- **Monetary Rewards:** Often valued in economies with higher uncertainty avoidance or in fast-growing, competitive markets.
  - In **Western and transactional cultures**, financial bonuses, stock options, and salary increases are key motivators.
- **Non-Monetary Rewards:** More important in cultures where social relationships, respect, and work-life balance are valued.
  - In **Nordic countries or some Asian cultures**, meaningful work, flexibility, recognition, and development opportunities may be more motivating than cash rewards.



### 3. Power Distance and Hierarchy

- **High Power Distance Cultures** (e.g., India, Malaysia, Mexico, Russia):
  - Expect hierarchical structures and clear authority lines.
  - Rewards are often status-based (e.g., titles, office space, exclusive perks).
  - Top-down decision-making in reward distribution is the norm.
- **Low Power Distance Cultures** (e.g., Denmark, Sweden, New Zealand):
  - Prefer egalitarian (equality and fairness) reward systems.
  - Peer recognition and participative reward systems (e.g., democratic bonus allocations) are more acceptable.



## 4. Recognition Practices

- **Western Cultures:**
  - Frequent, explicit recognition is valued.
  - Public awards, praise, and “employee of the month” schemes are common.
- **Asian and Middle Eastern Cultures:**
  - Modesty is valued; public recognition may embarrass employees.
  - Private or group-based appreciation is more culturally appropriate.
- **African Cultures:**
  - Recognition tied to community standing and contribution to the group’s success is highly motivating.



## 5. Cultural Attitudes Toward Short-Term vs. Long-Term Rewards

- **Short-Term Oriented Cultures** (e.g., U.S., Canada):
  - Emphasize quick wins, quarterly performance bonuses, immediate feedback.
  - Employees expect timely rewards and fast acknowledgment.
- **Long-Term Oriented Cultures** (e.g., China, Japan, Germany):
  - Value loyalty, persistence, and long-term stability.
  - Retirement benefits, career development opportunities, and long-term incentives (e.g., stock plans) are highly appreciated.



# Summary Table

<i><b>Cultural Dimension</b></i>	<i><b>High Preference For</b></i>	<i><b>Examples of Effective Rewards</b></i>
Individualism	Personal achievement, autonomy	Individual bonuses, performance awards
Collectivism	Group harmony, loyalty	Team-based rewards, group recognition
High Power Distance	Hierarchical respect	Status-based perks, rank-sensitive incentives
Low Power Distance	Equality and openness	Peer recognition, participative bonuses
Monetary Emphasis	Material success, tangible results	Salary raises, cash bonuses, commissions
Non-Monetary Emphasis	Work-life balance, intrinsic motivation	Flexibility, development, symbolic recognition
Short-Term Orientation	Quick feedback, fast gains	Monthly bonuses, spot rewards
Long-Term Orientation	Stability, loyalty	Pensions, long-term incentives, sabbaticals



# Key Takeaways for Global Reward Strategy Design

- **Localize, don't just globalize** – Tailor reward systems to local cultures while maintaining core organizational principles.
- **Conduct cultural audits** – Use frameworks like Hofstede's dimensions or the GLOBE study to guide design.
- **Engage local leadership** – Their insights are invaluable for understanding what motivates employees on the ground.
- **Communicate clearly** – Ensure reward messages are culturally appropriate and resonate with the target audience.



-  Case Study:  
Total Rewards Strategy at "Elegance Hotels International"

## 1. Background

- Elegance Hotels International (EHI) is a luxury hotel chain operating 30 properties across Asia and Europe. Known for high-end guest experiences, the brand prides itself on excellent customer service, delivered by a workforce of 4,500 employees.

However, EHI has been facing:

- Increasing staff turnover (especially in housekeeping and F&B services).
- Challenges in attracting skilled hospitality professionals.
- Growing competition from boutique hotels and Airbnb offerings.

EHI's HR leadership believes that redesigning its Total Rewards Strategy could improve retention, motivation, and employer brand perception.

## 2. Problem Statement

- How can Elegance Hotels International redesign its Total Rewards Strategy to better attract, retain, and motivate talent in a competitive and service-intensive industry?



### 3. Objectives

- Identify gaps in the current rewards system.
- Design a holistic Total Rewards Strategy aligned with EHI's strategic goals.
- Improve employee satisfaction and reduce turnover.
- Create a more competitive and appealing employment offering.



Component	Current Status
Base Pay	Market average, with annual increments
Bonuses	Available to managerial staff only
Benefits	Standard insurance and retirement benefits
Recognition Work-Life Balance	Limited flexibility; strict scheduling
Career Development	Minimal internal mobility or training programmes
Recognition	No formal recognition or reward programs



## Total Rewards includes five key elements:

- Compensation
- Benefits
- Work-Life Balance
- Performance & Recognition
- Development & Career Opportunities



- 🙌 Case Study Questions
- Q1: Define “Total Rewards Strategy” and explain its relevance in the hotel industry.
- Q2: Identify and discuss three major gaps in EHI’s current rewards system.
- Q3: Propose a redesigned Total Rewards Strategy for EHI.

**Formative Assessment**



- 🍌 Case Study Questions and Model
- Answers Q1: Define “Total Rewards Strategy” and explain its relevance in the hotel industry.
- Model Answer:
  - A Total Rewards Strategy is a comprehensive approach to compensating and motivating employees through a combination of monetary and non-monetary rewards.
  - It includes compensation, benefits, career development, recognition, and work-life balance. In the hotel industry, where service quality heavily depends on employee engagement and retention, a strong Total Rewards Strategy ensures staff feel valued, reducing turnover and enhancing guest experiences



- **Q2: Identify and discuss three major gaps in EHI's current rewards system.**
- **Model Answer:**
- **Lack of recognition:** No formal system exists to reward top performers, leading to demotivation.
- **Limited career development:** Absence of training programmes or career pathways makes it hard for employees to grow internally.
- **Work-life imbalance:** Rigid schedules contribute to burnout, especially in demanding roles like front desk and housekeeping.



## Q3: Propose a redesigned Total Rewards Strategy for EHI.

### Element

**Compensation**

**Benefits**

**Work-Life Balance**

**Recognition**

**Development**

### Proposed Enhancement

Introduce performance-based incentives for all roles

Expand to include wellness programs, mental health support

Implement flexible scheduling and shift-swapping

Launch “Star of the Month” and peer-nomination awards

Establish internal training academies and cross-training



All About HR - Ep#1.6.1 - A Future-Proof Reward Strategy is Flexible, Personalized & Inclusive

AIHR - Academy to Innovate HR

- <https://www.youtube.com/watch?v=WnI7pTu3tI4>



# References

- Armstrong, M. with Taylor, S. (2014), Armstrong's Handbook of Human Resource Management Practice, 13th edn. London: Kogan Page.
- Taylor, S. (2014), People Resourcing, 6th edn. London: CIPD.





**Masters in  
Human Resources Management**