



Research Program of Reward Practices – Improving the Functionality of Rewarding in Organisations

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Purpose of the presentation

- A case of cooperation between university, organisations and other stakeholders
- Some key concepts, approaches and tools
- Benefits for each party

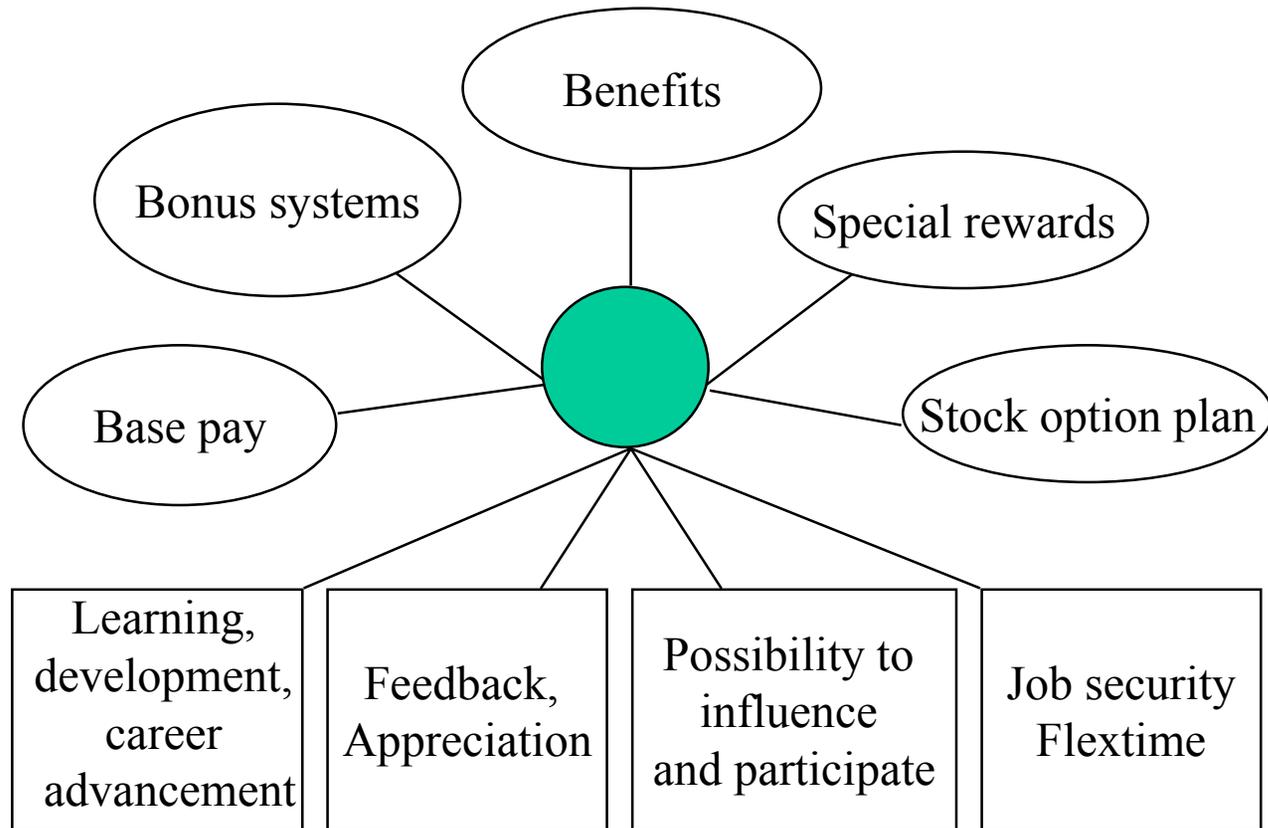


Rewarding

- Aimed at motivating, steering and creating commitment – a human resource management tool
- A reward system consists of the rewarding elements and of the processes
- Rewarding can be monetary and non-monetary
- A reward system is functioning well when it produces the desired effects and both the management and employees have a positive perception of it



Monetary and Non-Monetary Reward Practices



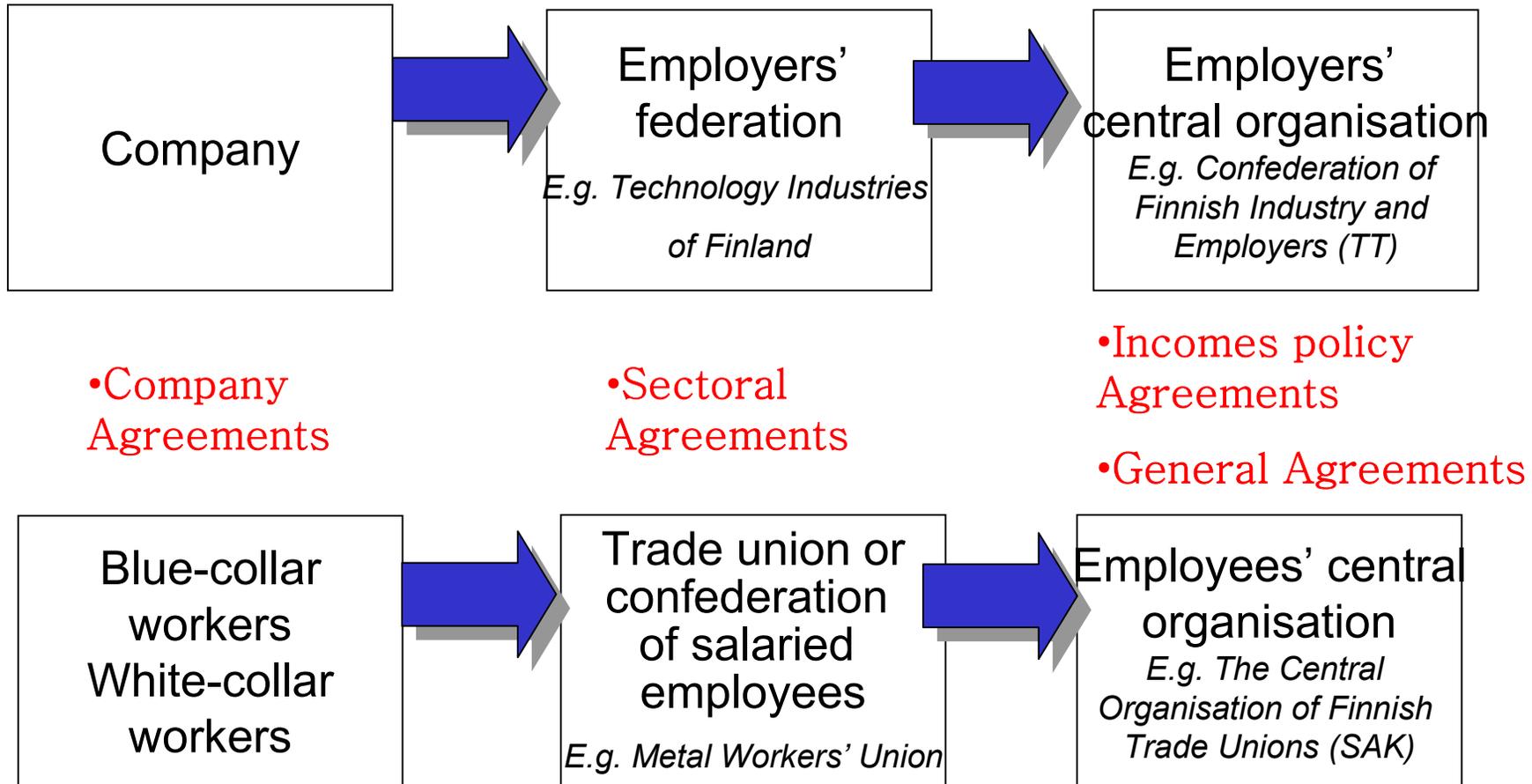


Framework in Finland

- The terms of working conditions are negotiated at various levels
- Around 200 different sectoral agreements of which some are more detailed than others
- Organisations have however a wide area for planning a reward system to match their needs



Organisations on the Finnish labour market





Collective bargaining in Finland

Incomes policy Agreements

- central organisations
- variation in Government involvement
- recommendations
- wages/salaries
- working hours
- general terms of employment
- social policy
- variation in coverage

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Government/Parliament

- legislative measures
- taxation

Sectoral Agreements

- branch organisations
- binding agreements
- wages/salaries
- working hours
- terms of employment
- possibility to depart by local agreements
- labour market peace
- duration usually 1-2 years



The Research Program of Reward Practices

- Our mission is to improve the functionality of rewarding in Finnish organisations
- We cooperate with organisations from both private and public sector
- Our steering group members represent different stakeholders, e.g. employers' and employees' organisations



Activities

In organisations

- Evaluations
- Participation in development projects
- Training

At the university

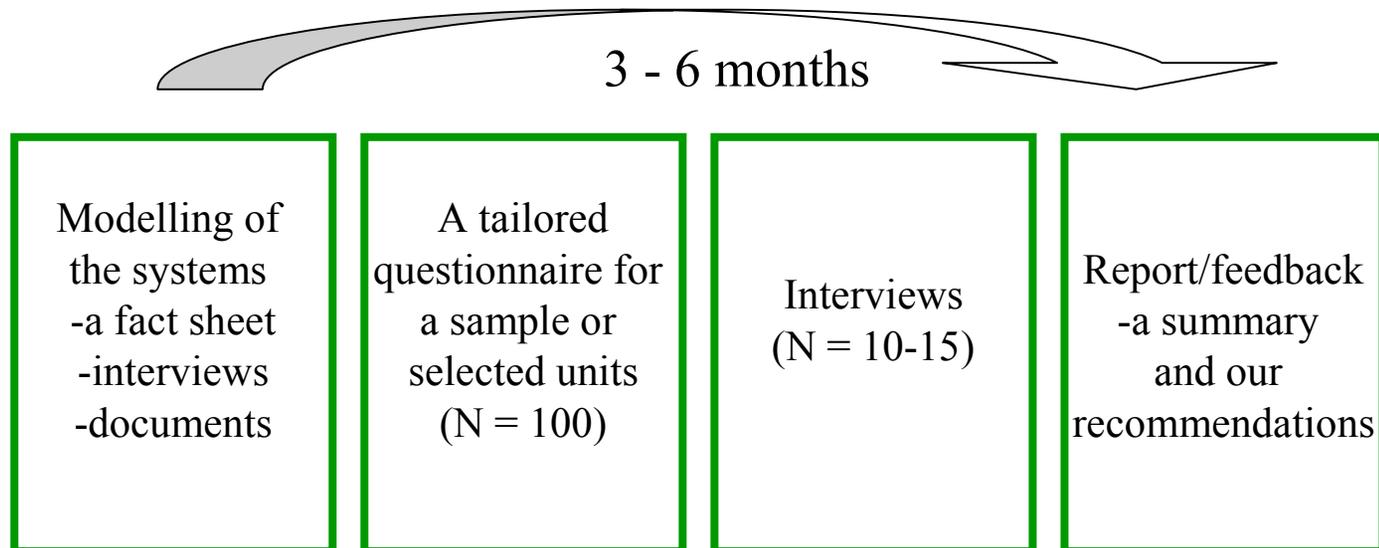
- Research
- Publications



The Evaluation Method

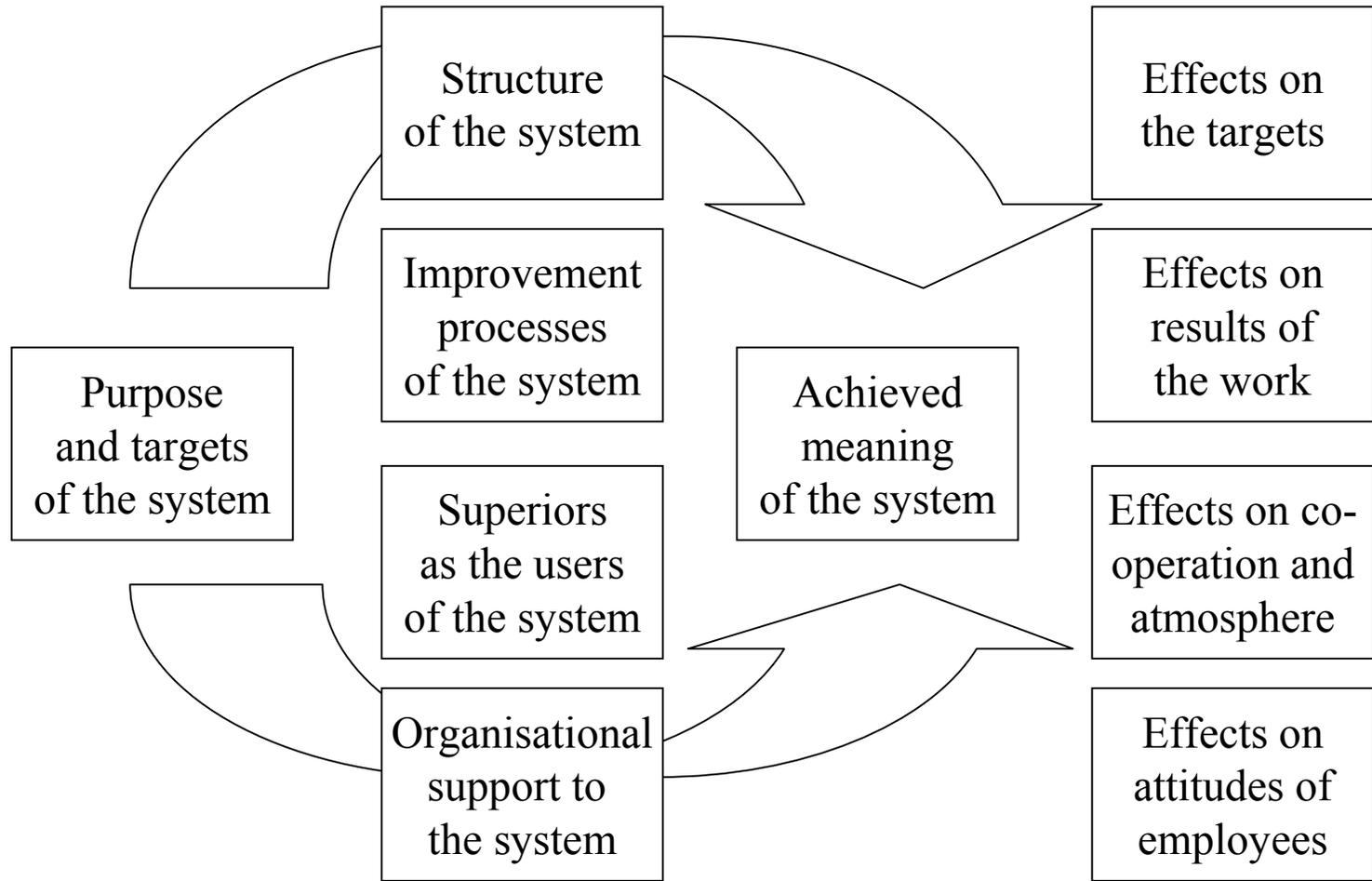
In each case data is collected from written documents, questionnaires and interviews.

The focus was on the systems as described as well as on the way they were applied in practice.





Elements in a Reward System Evaluation





Benefits

- Participating organisations: Improvement of HRM and rewarding systems -> productivity and well-being
- Researchers: Valuable data for research purposes
- Other organisations: Access to research findings (articles, books, lectures)
- Central organisations: Information on reward practices in organisations



Summary

- Rewarding has more and more become a tool for Human Resource Management and for strategy implementation.
- Rewarding includes much more than pay and benefits.
- For development it is worthwhile to cooperate with all stakeholders at various levels



Questions?