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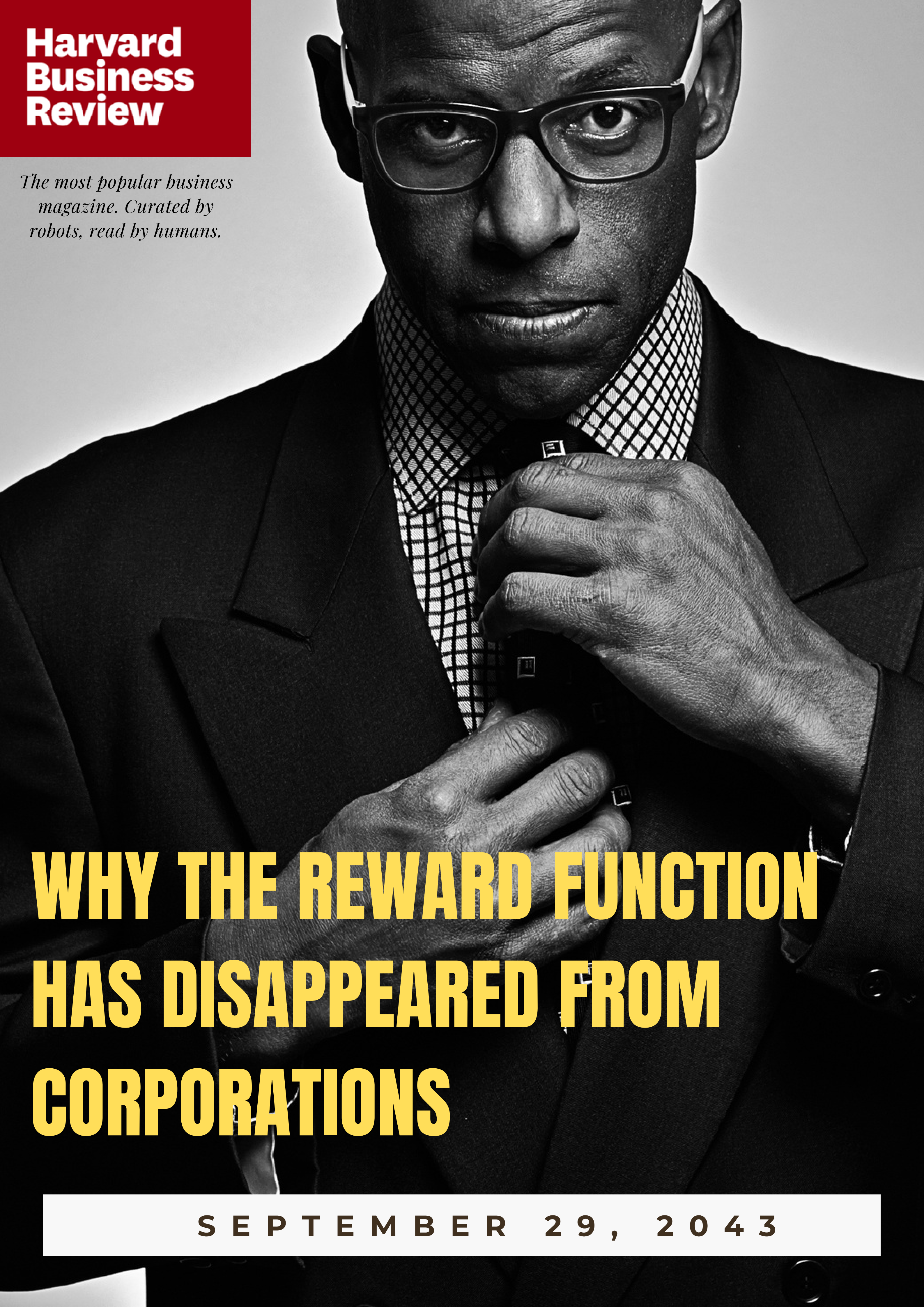

WHY THE REWARD FUNCTION HAS DISAPPEARED FROM CORPORATIONS

SEPTEMBER 29, 2043

"We basically have no added value any more for a company".

These words are coming from one of the most experienced and recognized leaders in the Reward world today. Daso Benko 56, who is now devoting time to develop the World at Work foundation. Daso led the Reward function in many international companies like Novartis (pharmaceutical company now publicly owned company by Swiss government since the 2032 red flu) or Richemont (the number one luxury leader after the merge with Kering and the disastrous succession phase of LVMH which led to the dismantle of the group).

"*This happened so fast*" follows Daso Benko. Until the end 30, the Chief Recognition Officer was still one of the main strategic functions of the different HR streams in a corporation, along with the Chief HR technologies Officer and the Chief Employee Journey Officer. But, after Learning and Development and Talent Management, it was the turn of the reward and recognition function to be completely overflowed by big forces of change of this century: artificial intelligence, social changes and regulations are some of them.

First major change: Post Growth as an alternative to Green Growth.

The adoption of the Post Growth principles at the COP 2029 changed it all. The COP confirmed the recommendations of the Intergovernmental Panel on Climate Change (IPCC): only a social and innovative post-growth economy can be coherent with the climate and biodiversity collapse to ensure the habitability of earth for future generations. Post Growth as an alternative to Green Growth. The "Planet centric code of business conduct" laid the foundation of the new principles for businesses and by repercussion to people management principles: the planet as a shareholder in every company above 500 employees, universal basic income, abrogation of the long-term incentives which did not consider the health of the planet in their design, limitation of the top salaries to 30 times the minimum salary inside a company, replacement of individual based incentive to collective, social and environmental performance, total transparency on people management practices, work week of 3 days as the norm, etc.

Employers started to change their practices years before the COP 2029. For instance, at Richemont, "*we stopped asking the previous packages to employees who wanted to join us. This have been proved as pay discrimination.*" explains Daso Benko. He continues: "*Another example is transparency: LinkedIn started to collect salaries of their users back in the 20's. As HR professionals, we could go on LinkedIn and know how much a Store Manager at Tiffany in New York was making. This was quite a change. But they did not stop there. In 2026, LinkedIn decided that every job post published on the platform had to display pay ranges with a full set of benefits. And they provided a benchmark tool to users to compare the practices from a company to another. Of course, we had to adapt. We decided to make public our pay ranges to the market.*"

Second major change: When machines just do better than humans in managing humans

Today, weather forecasts use complex algorithms to predict hyper-local weather patterns and anticipate human adaptation. Health monitoring applications, such as FitHealth, use AI to motivate anyone to be healthier. Computers write many of the business and sports articles published online (by the way, this is the case of the current article you are reading right now ;-). AI systems scan Magnetic Resonance Imaging films to identify illness with incredible accuracy.

Starting in 2025, HR professionals started to embrace artificial intelligence without necessarily anticipating all consequences. Today, AI-powered HR applications predict which employees are at risk of leaving based on their pay, their performance, and other variables. Early interventions that raise a top performer's pay can be the difference between a valuable employee remaining with the company or considering other offers. In the past, building an accurate market composite price for a job could take an hour, even for a highly trained compensation analyst. Today's AI-powered compensation process makes matching and market pricing more efficient and delivers more accurate compensation packages to employees.

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Back in the time, compensation professionals needed to deliver 100% matching and pricing accuracy to attract and retain top talent. However, this was incredibly difficult to achieve before 2025 using traditional sources of market pay data. For many roles, there was simply no survey data that aligned exactly to all critical pricing criteria - job family, function, focus, and level as well as business size, location, revenue, and industry.

Artificial intelligence and machine learning processes changed it all. Since 2030 and any online AI power-based platform gather multiple data inputs from existing surveys and extrapolate missing data using known job and scope benchmarks. For example, in the past with data inputs from hundreds of traditional salary surveys (who remembers now the firms like Korn Ferry or Mercer?), it would be incredibly difficult to find a statistically significant number of companies reporting salaries for a “Data Sales Director” in the luxury industry based in Mumbai. Today it is possible to determine how similar positions in other locations are priced compared to more standard, benchmark jobs like Accountants or Sales Managers. And, it is also possible to identify how prices for standard benchmark jobs in Mumbai compare to the same jobs in other pay markets. Artificial intelligence has been using these known data points to fill in the gaps and predict a price for precisely the right job – even if it doesn’t yet exist in a salary survey. These new capabilities were incredibly important as new jobs entered the marketplace, but they were also used as a mechanism to keep fresh data aligned to current jobs.

Machine learning processes recalibrated prices based on the new data inputs, updating third party surveys once annually or incorporating new internal prices on an ad-hoc basis. This continuous data refresh keeps pricing up-to-date and helps organizations stay competitive.

“*With Artificial Intelligence, the job of Reward changed drastically on the positive first, as we had time to focus on the strategic, long term and creative aspect of people management*” explains Daso Benko. “*AI helped us in the compensation benchmark of course, but also in defining the appropriate grades or in anticipated workforce planning with much more accuracy than any consulting framework. But something which was less anticipated was the better performance of a machine in managing low salaries. Algorithms and neuroscience started to identify the key drivers of the pay evolution of employees who have repetitive tasks (operations, sales, supply chain …): expertise, years of experience, skills, performance, career events, personal life events, market practices, economic indicators … When in 2034, Apple announced that they will define their pay policies and practices using AI for their manufacturing and retail stores, we just realized that the world was different. Machines just did better than humans in managing humans. Many HR and reward professionals just felt useless and started to resign and move to the finance department or more HR / technology data departments or consulting*.”

A portrait from the past

Passing away of Simon Sinek at 69

Simon has devoted his professional life to help build the Help Others industry.

He envisioned a world in which the vast majority of people wake up every single morning inspired, feel safe wherever they are, and end the day fulfilled by the work they do. Simon was n unshakeable optimist who believesd in our ability to build this world together.

A trained ethnographer, Simon is fascinated by the people and organizations that make the greatest and longest lasting impact. Over the years, he has discovered some remarkable patterns about how they think, act, and communicate, as well as the environments in which people operate at their natural best.

Simon may be best known for his TED Talk on the concept of WHY, or his viral video on millennials in the workplace—each of which has garnered 80+ million views. He continues to share inspiration through his bestselling books, his podcast, *A Bit of Optimism*, and his publishing partnership with Penguin Random House: Optimism Press.

His unconventional and innovative views on business and leadership have attracted international attention, and he has met with a broad array of leaders and organizations in nearly every industry

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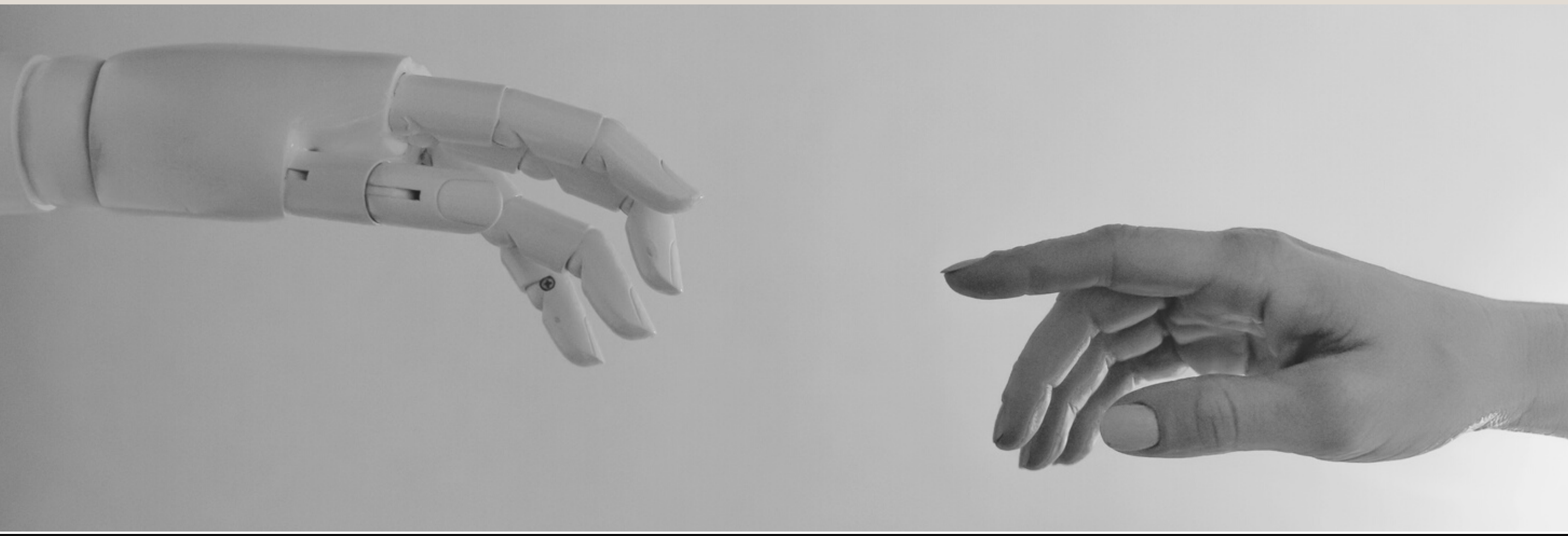

Third major change: “Why do we even work?” and LinkWork

After the Great Resignation and the Silent Quieting from the 20s, the “Work less or earn more” from the early 30s, the “Why do we even work?” movement was the third major force of change of the last decade.

Everyone knew about the rise of the robots, but not everyone understood the impact of the new "virtual" globalization created by the same digital technologies – where talented foreigners sitting abroad can work alongside us in our offices.

Due to advanced telecommunications and machine immediate translation from any language to any other, we saw the rise of "tele work migrants" speaking the same language. Think of it as the "gig" economy gone global. Geographical work frontiers have no meaning anymore. The globalized slash workers (self-employed professionals who put a slash between their multiple jobs in different sectors) became the new breed of the gig economy. Many countries replicated the digital citizenship done by Estonia to facilitate the creation of new ventures and hiring of freelancers from abroad to the EU.

In addition to this, the expectations of employees changed and more importantly their power versus the employer. With the rise of AI, the legislation inviting workers to work less or in other ways, the new globalized gig economy, many employees did not want to be employees to do a job. They wanted to do projects and manage their portfolio of projects. In the past, we’ve presented ourselves in the form of resumes, which are a linear view on your past jobs and responsibilities, mostly highlighting the companies you’ve worked for or the job title you’ve held. The focus was on building a case for the length and quality of your professional experience.

Today, it’s all about building a portfolio with the company you want to work with, which is a holistic view on your achievements. The objective is to tell a compelling and coherent story about your professional abilities, not stints, using anecdotes, data, referrals, and actual work produced.

These two phenomena were just the tip of the iceberg. And few organizations understood it. The ones who did were the online players. When Glassdoor, LinkedIn, Salary.com, Upwork (a free-lancer’s platform) and Neobrain (a neuro-based talent marketplace) merged together in 2038, we HR professionals understood we lost the game.

The Google of work was born. With LinkWork, the name of this new global player, anyone could find a meaningful project to work for, ask for peer review, content and training performed by peers, fair pay via automated block chain contractualisation and international collaboration.

Conclusion

As companies, we only could follow and adapt our organization to these new models of work. In the luxury industry, we saw competitors outsourcing their manufacturing operations to avoid too low salaries and respect the new regulations on pay ratio. We saw others providing the same salary for 80% of the employees, others stopping performance bonus (because they believed that they’re unnecessary if you hire the right people) and some others only using the new LinkWork to hire middle management to work on projects but not to take full jobs anymore. These are only some examples of the changes we faced.

To understand the radical shift of the HR function we just must think that today, candidates to a regular employee job in a company have the right to ask what are making other employees and have the power to choose accordingly their salary and their benefit, but not only the mix as it was done in the 30s, but the total final amount.

In this context, why should we still need a reward function?

Article written by Bot 45-HR under the supervision of Nicolas Gluzman for HBR online publication. *Time of edition: 2 seconds. Reviewed by Isaac Assimov foundation.*
Time of review: 2 hours.