

## Designing an equitable rewards experience for multi-location teams



### The Problem

Companies of all sizes now have teams spread across multiple countries. To create one culture of appreciation across the entire organization, you need a global reward and recognition program.

Setting up different reward programs for each region is not an option and a simple currency conversion of reward value for each country does not deliver an equitable reward solution. An equal reward approach ignores the fact that while \$100 in the US buys a certain amount of goods and services, that same \$100, when converted to Indian Rupees (for example), would buy exponentially more goods and services. So it makes sense that employee rewards be equitable to meet societal and monetary norms of the country where the employee is located.

### The Solution

The integration of local standard-of-living considerations ensures reward options are equitable in local purchasing power. Purchasing power parity (PPP) is an economic practice that compares the purchasing power of various world currencies to determine an exchange rate that allows you to buy approximately the same amount of goods and services in every country. PPP has been factored into Empuls, with the cost of living factor, to simplify budget allocation, making it easy for HR to launch a global rewards program that's equitable for all, easy to manage, and saves reward program budgets while achieving desired goals.

### How Empuls solves the problem

The Cost of Living Factor (COLF) in Empuls incorporates the cost of living index data from the [World Bank](#) and the [currency exchange rates](#) for the base currency in real-time to adjust points in Empuls to be as close as possible to the same value for redemption, no matter the user's location. Empuls uses price and exchange rates to calculate data for each county.

### Step 1

#### Enable Cost of Living Factor (COLF)

The recommended range for the cost of living factor is derived from the cost of living index (source: [worlddata.org](http://worlddata.org)) and currency exchange rate to base currency. (source: [xe.com](http://xe.com)). [Learn more](#)

Country	Recommended Value of 1 Point	Value of 1 point	Wallet
India (Base Location) ⓘ 200 employees • Cost of living Index: 100	NA	1   INR ▾	INR ▾
United States 100 employees • Cost of living Index: 347.22 <a href="#">View calculation</a>	0.0382 - 0.0467 USD	0.0425   USD ▾	USD ▾
United Kingdom 50 employees • Cost of living Index: 374.65 <a href="#">View calculation</a>	0.0330 - 0.0350 GDP	0.0350   GBP ▾	GBP ▾
Singapore 25 employees • Cost of living Index: 260.42 <a href="#">View calculation</a>	0.0153 - 0.0163 SGD	0.0163   SGD ▾	INR ▾
Canada 25 employees • Cost of living Index: 366.67 <a href="#">View calculation</a>	0.0144 - 0.0164 CAD	0.0164   CAD ▾	INR ▾

Starting Point

[View All Countries](#)

### Step 2

#### Enable Cost of Living Factor (COLF)

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Recommended value for 1 point for US Employees

[View All Countries](#)

### Step 3

#### Enable Cost of Living Factor (COLF)

The recommended range for the cost of living factor is derived from the cost of living index (source: [worlddata.org](http://worlddata.org)) and currency exchange rate to base currency. (source: [xe.com](http://xe.com)). [Learn more](#)

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#### Cost of Living Factor Calculation for USA

$$\frac{\text{Cost of living for USA}}{\text{Cost of living for India}} \times \text{Current value of 1 point (in USD)}$$

$$\frac{100}{28.8} \times 0.012245 = 0.0425 \text{ USD}$$

Recommended Range = 0.03825 - 0.04675 USD

Close

Calculations for arriving at value of 1 point for each country

## How it works

Let's look at how this works for employees of a company working in different countries. Ben, Steve, and Mallik, work in the UK, US, and India offices respectively, and they all get 50 points for the "Cheers to Peers" award. The Empuls app allows admins to set up the program in a way that 1 point is equal to 0.04 GBP for UK employees, 0.05 USD for US employees, and 1 INR for Indian employees.

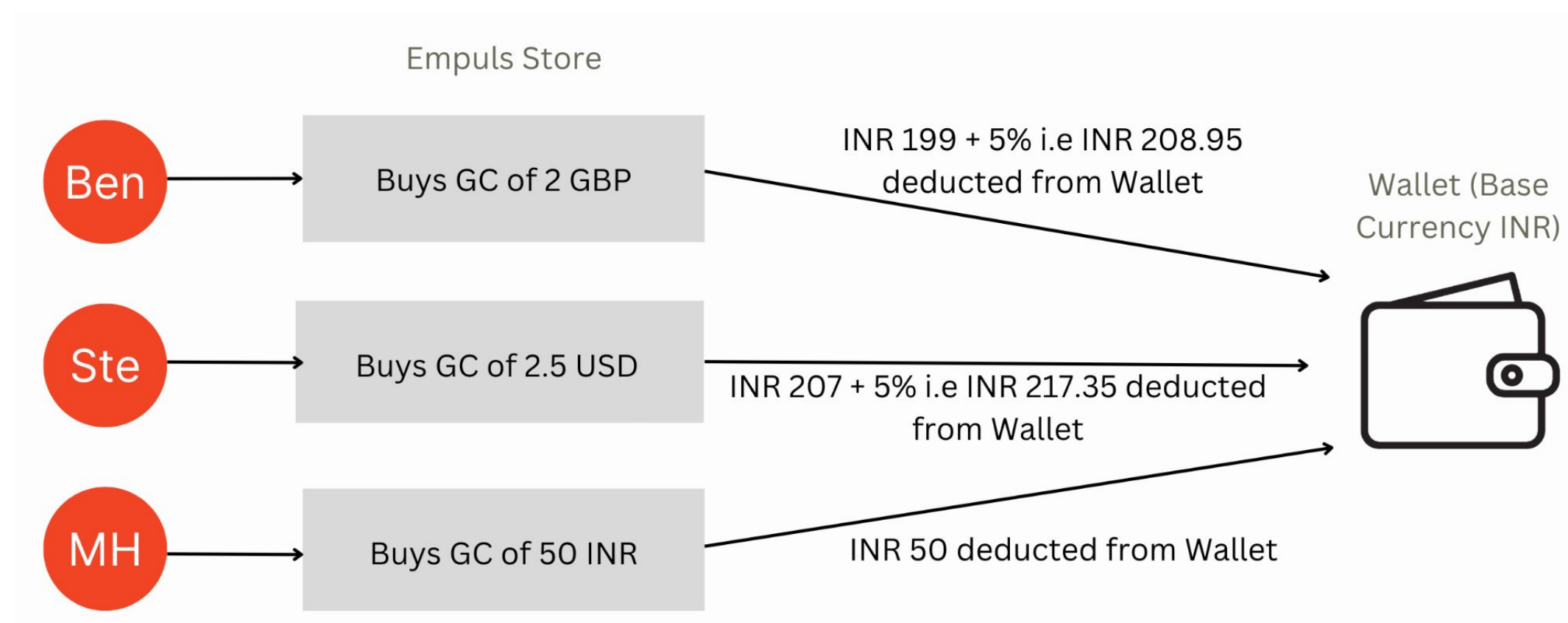
The cost of living factor defined in Empuls makes the reward equitable while allowing employees to buy gift cards of different currency values.

- Ben (UK) can buy products worth 2 GBP with his 50 points
- Steve (US) can buy products worth 2.5 USD with his 50 points
- Mallik (India) can buy products worth INR 50 with his 50 Points

This way every employee can buy products and services of the same value.

**Here's how it works when companies use a single wallet versus multiple wallets in Empuls.**

### Single Wallet



### Multiple Wallets

