Reflect

Insightful business ideas from Equatex

Digital life

Productivity, efficiency and
mindfulness through technology

EQUATEX

"We need to be more mindful about our relationship with technology and recognise the deep ways in which it affects us"

– Alex Soojung-Kim Pang

This autumn, Equatex is excited to finally unveil an ambitious project that we embarked on last year. Together with design and strategy partner, frog, we have developed a next generation user experience for EquatePlus, our platform for equity-based compensation plans. The platform will become even more intuitive and significantly enhance employees' experiences of share plan participation, making it unique in our marketplace.

I began as Head of Marketing at Equatex in spring and personally, it's been a fantastic time to join the company when such exciting developments are taking place. What has been particularly evident to me in this project is the incredible value of technology; it is an integral part of our daily lives and can enrich our working lives too. The third issue of *Reflect* explores the inextricable link between people and technology, and how we can use it to make our lives more productive, efficient and mindful.

As part of the aforementioned project, Pete Matthews, Creative Director of frog in London, discusses why user archetypes are pivotal to User Experience (UX) and what they can reveal about employees using EquatePlus and their needs.

Dr. Markus Weinberger, Director of the Bosch IoT Lab, then anticipates how the Internet of Things may impact business models and transform our working lives in the future. Charles Cotton, Performance and Reward Adviser for the CIPD, continues by considering what can be done to address the gap in employees' financial education and where technology fits in.

In this issue, we also reflect on the downsides of technology such as perpetual distraction. Alex Soojung-Kim Pang, author of *The Distraction Addiction*, offers guidance on how you can retake control of your relationship with digital devices and learn to use them in ways that help you become more mindful. And lastly, Ankit Shah of Dopamine Agency focuses on the potential of gamification – the concept of incorporating game design elements into everyday life – for incentive schemes and HR practices. We do hope you enjoy this issue, and please let us know your feedback.

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Issue 3

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Contents

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User-centric journeys

When it comes to any online platform, it is essential to have an open dialogue with the end user; drawing from actual human experiences can lead to a great User Experience (UX). Last year, Equatex embarked on a journey to enhance the UX of EquatePlus, its platform for equity-based compensation plans. Equatex collaborated with world-leading design and strategy partner, frog, to transform the employee experience of share plan participation. frog led the concept and design development phases of the project and here, Pete Matthews, Creative Director of frog in London, discusses why user archetypes are critical to the design process and what the characters can reveal about employees and their compensation plans →

Learn
Name: Lynn
Occupation: Bookkeeper
Device: Desktop
Main challenge by employer:
Engage and incentivise
Lynn is a low-risk person, who only owns stock in her company. She is passive and does not fully understand the potential value of her share plan benefits. She regards them as long-term savings.
Pain points: Lacks financial knowledge. Intimidated by complexity and jargon. Confused by passwords and access.
Goals and needs: Reward for being a loyal employee. Reassurance, trust, clarity and simplicity. Hand-holding.

User archetypes add colour and give focus to the process of design, helping to inform and inspire it. They can be regarded as amalgamated abstractions of common user characteristics. The end user of an online platform can often seem intangible but user archetypes give projects a 'real' dimension, and the more you can add verbatim experience and context, the better the end result will be. At frog, we bring our interpretation of user-centricity to the platforms we design. We strive to create experiences that make sense, not only for clients and their business objectives but also for end users, whether they are employees or client customer stakeholders. When designing a platform, it's vital to bring everybody along on the journey and engage with them.

For Equatex, we needed to understand the various guises of those employees using the platform and the true perception they had of their plans; we wanted to make this experience worthwhile for them so they could ultimately see the value in their employment benefits. In this case, it wasn't enough to simply pinpoint people by their role in an organisation; we needed to look at the platform's design in terms of employees' requirements. It became apparent that whether you are a high-flying executive with many years of experience or an entry-level employee, you have common needs.

Through a series of focus groups, engagement sessions and interviews, we collaborated with customers and employees to gain insight into their requirements, challenges and pain points. After some hands-on activities and workshops, we refined archetypes. Three polarised archetypes emerged that encapsulated primary needs. There was a core group of employees who lacked general understanding of share plans, equity and the world of finance. The second group was savvier; they appreciated the notion of compensation and were keen to achieve the maximum earning potential from their plans. The final group understood their plans but needed more transparency and guidance.

Archetypes were built upon each of three tenets: learn, earn and guide. We embellished characters around these, which then also allowed for different levels of experience, job titles and types of compensation to be incorporated.

The first character, Lynn, is focused on learning; she is a less financially savvy user on a broad-based plan. The second character, Ellie, is focused on her earnings; she is astute and actively trades across various plans. Lastly, Greg requires guidance; he is an executive leader with multiple, overwhelming performance-related plans.

Archetypes are useful in ensuring that you have a broad front to design towards. For Ellie, the design centres around earning and how she can trade and understand the latest share prices; for Greg, it is about transparency; and for Lynn, she is experiencing Equatex for the first time. The archetypes enabled us to sketch key features, map user flows and identify the most pressing needs for the employees using the platform.

By creating these characters, we foreground a sense of simplicity. When you bring the three strands together and layer them, you have a rich, total experience that satisfies the earner as well as those requiring guidance and education. We have created characters that employees can identify with and going forward, we can use the archetypes as evidence of whether the end solution is satisfying end users. What would Lynn do in this situation? Or is this solution helping Ellie? Rather than constructing overly complex characters, you need to give people a hook, something they can latch onto. It's important to keep things simple, relevant and pragmatic. It would be easy to create a cast of thousands and address everything but nothing at the same time.

The broad issues of learnability, onboarding, guidance, transparency and familiarisation are common user needs whatever the industry. Many pain points are diagnostic of the domain, such as ambiguity, too much text and unclear information. Software development and service design is an on-going process. You need to satisfy the big picture in the first instance and then tweak, adjust and move forward as new requirements and opportunities arise. It is an iterative process, meaning you must have an open channel with end users, so you can incrementally change the design along the way and capture insights about people's evolving behaviour. It is always refreshing to bring that voice into the decision-making process.

Guide
Name: Greg
Occupation: Director of Sales
Device: Laptop
Main challenge by employer:
Focus and efficiency
Greg is a company leader. He wants to focus on his job without distraction. He has a short attention span and finds technical details tedious and time wasting. He relies on others to sort it out for him.
Pain points: Unclear critical to-dos and deadlines. Confusion sorting multiple plans. Transparency of performance. Frustrated by usability and helpdesk.
Goals and needs: To appear confident and competent. Clear instructions and self-sufficiency. Avoid missed opportunities.

Earn
Name: Ellie
Occupation: IT Technician
Device: Tablet and smartphone
Main challenge by employer:
Retention
Ellie is opportunistic. She wants to maximise her own profit and wealth – even if that means job-hopping. She is tech driven and looks for the most functional tools on the market. She actively manages her portfolio.
Pain points: Dispersed information. Ambiguous transactions. Deciphering too much text.
Goals and needs: Current and future net worth. Accurate information and confirmation. Quick check-ins, fluid actions.

Pete Matthews is Creative Director at frog in London. frog is a global design and strategy firm, which transforms businesses at scale by creating systems of brand, product and service that deliver a distinctly better experience. Pete heads strategic and tactical innovation programmes that satisfy user needs and deliver business value. He has over 20 years of hands-on experience, focusing on insight generation and creating user experiences for digitally convergent products and services. He loves the mix of medium and message, form and function, and left- and right-brain thinking. Pete has partnered with diverse clients that represent household names in the financial services, consumer electronics, telecom, travel and retail sectors. These include innovation, e-commerce and UX design programs for brands such as Reed Elsevier, eBay, IKEA, Vodafone and Thomas Cook.

EQUATEX'S EXPERIENCE

Chief Technology Officer, Adrian Wyss, discusses why Equatex sought to enhance the UX of its platform and what it means for the end user

The expectations of end users have increased over the last few years and the world has changed since EquatePlus was re-launched five years ago. What's more, the platform is used by multiple companies with specific plans and arrangements, but also with a diverse set of employees with different levels of expertise. Our goal in this project was to make the platform easier to use. We wanted to simplify the process and offer more guidance to participants.

Listening to external views was important in challenging the status quo. The initial ideas were collected from end users, including our corporate customers. We transformed these ideas into the design concept and presented the prototype in a series of workshops. The archetypes helped in the initial phase of the project, and when we had to make a decision about the design, we could return to them.

The users have common needs in that they wanted the platform to be simpler, more transparent and easier to understand; they also wanted to see different information depending on their type of plan. So, information is now much more specific and specialised. We also have completely new approaches to the communication on the platform, how bank details are registered and how the holdings or the performance of a participant are presented.

At the same time, the end users are very diverse, so we also focused on the different user journeys on the platform. An end user who doesn't have a financial background can log in to the landing page and the information they need is right there, while more sophisticated users who understand more complex details can move on to further levels. So there are different user journeys depending on their needs and requirements.

I hope that we can help companies with the enhanced platform. It is one system but employees will be able to use multiple functionalities and features. Companies provide share plans to retain employees and make them part of the organisation. If we can help employees and make it easier for them to manage their shares, they will hopefully enjoy using the new platform and, as a result, companies will have a higher participation rate and more engaged employees.

Words: Dr. Markus Weinberger, Bosch IoT Lab
Illustration: Ben Morris

The internet of humans

A decade ago a member of the Bosch Board of Management called Volkmar Denner realised the potential of the Internet of Things (IoT), not just to his own organisation but to the world as he knew it. Today, the IoT has become one of the organisation's primary strategic focuses. But where does IoT fit in with business, and how will it change the way we actually work? Reflect hears from Dr. Markus Weinberger, Director of the Bosch IoT Lab in Switzerland

I've been fascinated by the internet for years; fascinated by the impact it has on our society and on the way we work together. From this interest, and at some point in time, I recognised that the internet was no longer only about connecting people but about connecting 'things' – inanimate objects. I had the feeling that, as the internet once did, the IoT would induce significant changes to many aspects of our lives.

The same thinking inspired the establishment of the Bosch IoT Lab. Bosch has, as an organisation, been looking into the IoT for some time; with its technical orientation it was well equipped to handle the technical aspects of the IoT. The question was, what were the applications for the technology, and would they make sense from an economic perspective?

The Bosch IoT Lab, then, is a collaboration between Bosch and the University of St. Gallen, committed to addressing these questions. Our team – an interdisciplinary group which includes seven PhD students specialising in fields ranging from computing science and physics to business and psychology – engineers and implements IoT applications. Not all of the applications we develop become commercialised, but we aim to field test them at the very least, certainly when it comes to smart home technologies and mobility.

Thanks to the diversity of the team here, we're able to look at the technology from as many different angles and perspectives as possible, and one aspect in focus just now is the relationship between business models and IoT.

Smart things

The IoT is built around the idea that we can connect 'things' to the internet. It's actually not a new concept; aeroplanes, for example, have been connected to backend infrastructure for some forty years. Every time one takes off, a data set is being sent to backend infrastructure. Every time one touches down, a data set is being sent again.

So what's needed to connect something via the internet? The first aspect is sensors, implemented or integrated into the thing in question. Next, that thing needs microprocessors and computing power. And finally, it needs connectivity. All three of these enablers are becoming cheaper in cost, smaller in both size and volume, and more efficient in terms of energy consumption. As a result it's become possible that, at some point in time, everything will be connected to the internet. To use a familiar term, everything will become 'smart'.

Consider a standard light bulb and imagine extending it with sensors, local computing power (so an implemented microprocessor) →

and connectivity. That light bulb could be mounted in a room and produce light, so the very same functionality that a light bulb has ever had. Yet at the same time, due to its sensors, its computing power and its connectivity, it could be leveraged to provide additional services – for example, it could be adopted for security purposes. So, with this light bulb you have the physical, local aspect, and the digital, security service.

High resolution management

In the digital world, the concept of 'high resolution management' is quite dominant, especially in the likes of online advertising. If you're operating a website or an e-commerce site, you're able to monitor and measure data on all aspects of your business. You can see who's visiting, discover where they've come from, work out which products they're looking at, learn which ones they tend to favour, and find out how long they've stayed. All of these aspects can be analysed in detail and the data thus afforded leveraged to improve and optimise your business.

Not so if you run a physical operation. Up to now you've not had access to the same types and amounts of data. You might know how many people are entering your store but you don't know where these people are coming from, and you also don't know what products they're looking at. You might know what products they're buying but you don't see what products they're looking at without buying.

Now, with the IoT, people running physical operations have the means to access equal types and amounts of data as people running digital ones – and possibly even in real time. Of course, this then provides much greater management capabilities, making it possible for businesses to improve and optimise their offerings and value propositions much more readily than they have in the past.

But it's not just sales and marketing which can be affected by high resolution management – every sector of business stands to benefit, not least human resources. By means of the IoT we can harvest more data about employees and how they behave than ever before. Of course, this has strong implications in terms of privacy and data protection, but on a purely technical level the IoT can absolutely be applied to the human resources sector; with more data we could manage human resources in completely different ways.

For example, some of my colleagues at the University carried out an experiment to monitor employee stress levels just by looking at computer mouse-handling. The thinking was that stress could be detected by measuring how precisely the employees navigated the cursor, with the assumption that if they are stressed they will navigate less precisely than if they are relaxed. Of course, there's still a lot of hypothesis here, and correlations need to be proved, but if the assumption is accurate then this one example could provide employers with detailed, real-time information about employee stress levels which could then be acted upon accordingly.

> "By means of the IoT we can harvest more data about employees and how they behave than ever before"

Dr. Markus Weinberger is the Director of the Bosch Internet of Things & Services Lab at the University of St. Gallen. He joined Bosch in 1998. Since then he gained experience in such different fields as driver assistance systems, internal auditing and engineering services. He worked in areas like ergonomics, calibration of electronic control units, project management, process management and Enterprise 2.0. Markus holds a PhD in Engineering from the Technische Universität München. He studied mechanical engineering in Munich and Trondheim, Norway. For more information on the IoT Lab work visit **www.iot-lab.ch**. To learn more about the smart bulb discussed in the article visit **www.comfylight.com**.

Business operations can be similarly affected. It's often the case that operations or work procedures are only allowed to be performed by certain personnel. Imagine implementing systems in production lines that are able to identify specific workers by means of certain badges, and only if the system knows that this specific worker is qualified to perform a certain procedure or operate a certain tool does the equipment work at all. So safety comes into the equation, but also quality control; only an employee qualified to do a certain procedure or operate a certain tool can do so, thus ensuring quality production.

Likewise, certain work environments have restrictions. Take construction sites – there might be restrictions in place dictating how long employees can be exposed to certain levels of vibration or noise, and that's difficult to track. Extend employees with sensors, however, and you can readily track exposure levels and times in order to protect employee health.

There are even economic implications. Lorry drivers could potentially be connected to sensors that measure vital signs so that their work times can be governed much more accurately than by manual tachometers. We might be able to tell when a lorry driver needs a break, or when he or she doesn't actually need one, thus optimising employee output.

Smart employees, but humans all the same

With more data comes more responsibility, and human resources departments are absolutely going to have to build up their abilities to leverage this. Think back to the aforementioned smart light bulb; in order to make it happen you need to address different layers in a value stack. You need to address the physical thing; you need to address the computing power and the sensors, to get them to work in the specific environment of a light bulb; and you need to manage the connectivity, so getting the data out of the light bulb and across to the backend infrastructure. Finally, you need to make sense of all of the data. After all, just having data sitting in a database is worth nothing.

Needless to say, then, businesses need to address these different levels and ensure they have the capabilities to do so. Human resources departments are going to have to build up the ability to manage increasing levels of data and leverage it to its full potential. Businesses need to have people capable of extracting useful information and able to derive managerial implications from that.

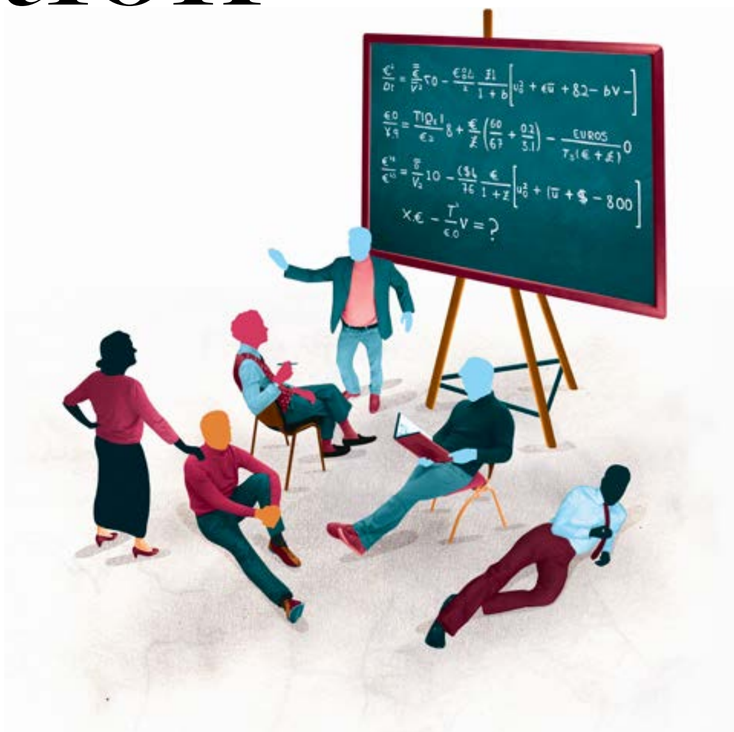
It is still important, however, from an HR manager's perspective, to realise that human resources departments need, by their very definition, to be managed by humans, not computers. For sure, things like access control, time stamping and time tracking will become even more automated than they are today through the IoT, but ultimately taking care of employees' needs is a very individual thing – and I find it difficult to imagine that this will ever be taken over by pure technology.

That's not to say that businesses shouldn't be thinking about the implications of the IoT, though – the opposite is true. This is an absolute must from my perspective. You could even put it this way: to ask whether the IoT is going to impact business is the same as going back fifteen years and asking whether businesses needed to think about the impact of the internet itself.

Words: Charles Cotton, CIPD
Illustration: ©Ikon

Financial education for all

There's a gap in employee financial education right now – and there's a compelling case for organisations to address the fact. Charles Cotton, Performance and Reward Adviser for the CIPD, the professional body for HR and people development, explains



As income providers, employers have a definite role in their employees' financial lives, and to this end financial education can be understood in the round as an individual aspect of employee financial wellbeing. Other elements include pay, benefits and recognition, and each forms part of the broader financial wellbeing strategies adopted by organisations.

It's fair to say that the number of organisations providing financial education for their employees isn't exactly huge. There has, however, been increasing appreciation of the advantages afforded by such strategies in recent years, and for good reason: pay, benefits, recognition, all of these aspects are capable of affecting work performance.

For instance, if an employee perceives →

that their contribution is not being properly acknowledged, or if they feel that they are not being as generously rewarded as their colleagues, then their self-esteem as an employee may well be negatively impacted. Similarly – and even more essentially – if an organisation does not provide a fair wage, there is the increased potential for absenteeism and employee turnover.

Financial education is no exception here. Even an employee who is receiving a good wage may suffer from low financial wellbeing as a result of poorly informed financial decisions, and this ultimately comes down to being financially unaware.

And the result? Research suggests that poor employee financial wellbeing is associated with poor employee health, specifically in terms of stress and anxiety. It's even linked to poor employee productivity, reduced cognitive functioning and lower engagement. On this latter point, employees who are less financially literate are less likely to be strongly connected to their organisations, and are therefore less inclined to go beyond the call of duty.

At the end of the day, it doesn't matter how great an organisation's financial education programme is, if the organisation is not paying employees enough, it's not going to have a positive impact. Similarly, no matter how much money an organisation pays employees, if those employees are not financially savvy, then they're not going to have financial wellness.

Savvy workforces, happy workforces

In places like the UK and the US, the recent rise in focus on financial education from an organisational point of view is, to a large degree, a reflection of the limited nature of welfare states, as well as the benefits and tax decisions that have arisen around them.

In scenarios such as these, employers tend to put more emphasis on financial education, and understandably so; ultimately they want to make the best use of the benefits that they are offering. As governments and employers start to give employees more financial freedom and self-determination in a move away from welfare states, then employers should also display financial savvy to make a return on the investment of rewards and benefits.

Reward packages and benefits packages have become increasingly sophisticated in recent years, though, and employees haven't perhaps fully appreciated the value of what they have been offered as a result. This has been driven by things such as automatic pension enrolment (as seen in the UK), as well as recent and current variations in the global economic environment.

If employees can make better financial decisions and stretch their pay packets further, then they are going to be better off, which is obviously important when pay rises are somewhat limited. External financial wellbeing can also be enhanced through education on mortgages, bereavement issues, will writing, even putting parents or relatives into care.

> "Research suggests that poor employee financial wellbeing is associated with poor employee health, specifically in terms of stress and anxiety"

There are internal considerations too, such as dealing with share plans and pensions and examining the implications of tax regime changes. Even on an employee performance level, financial education has the ability to enhance: an employee who is financially savvy and aware is likely to be more confident with numbers and budgeting.

There's no set textbook for financial education

Some organisations may provide financial education to their employees because they feel morally obliged to do so, others because it makes business sense. For instance, in the UK we're getting all of these pensions freedoms about what to do with defined contribution pots, and so it makes sense to implement some kind of financial education programme around that in order to ensure that employees are aware of the decisions that they have and the potential implications of those decisions.

If a business is thinking of setting up a financial education programme, it may want to look at certain groups of employees who potentially require or even need more support than others. Employees who have recently left school or university may welcome tips around managing money and saving money. For those people who are perhaps approaching retirement, employers may want to help them start planning. It may be linked to things like share plans or changes, flexible benefits packages, auto enrolment – these are all trigger points, and if an organisation is large enough, it may be able to try all of the approaches to begin to understand what an effective approach may be.

There's also the thought that financial education helps organisations manage and develop their talent and future talent needs. It can have an impact on staff retention because employees are more able to appreciate the value of the benefits spent. If an organisation is spending money on benefits to retain staff, then that's going to have more of an impact if the organisation's employees are aware of the benefits available and the value of them. What's more, it signals to the employee that the employer cares about their wellbeing.

It depends on the drivers of the business, so its mission, its vision, its aims and its objectives. Some organisations say that financial education is absolutely the right thing to do because they have a moral duty to their employees. Others will say that it's an important way to manage risk – especially true in the likes of financial services and security services.

Ultimately, then, it comes down to the business case. Does a business want to be adopting a financial wellbeing strategy? Is it trying to help its people make more informed decisions? Or is it just helping them become more financially savvy?

The return on education

Within organisations, it's important to get financial education out there and to communicate it, and to this end technology is invaluable. You can use it to help employees look at various scenarios. For example, if an employee were considering increasing his or her pension contribution by 1%, what would the impact be? Or what if he or she were to move from one kind of an investment to another?

Technology can also assist people in shopping around for better deals, to get better at managing money and to help out with loans. These are the kinds of technologies that are becoming more and more commonplace in people's lives, both at home and in the workplace. Share plan management platforms, for example, are being readily utilised by organisations as employees are afforded more responsibility over their individual share packages. And for every such platform education needs to be given, not least because of the rate of technological change.

If an organisation has a disparate workforce, so working mobile, on shifts or even around the world, it is more challenging to run financial awareness programmes. And so again, technology comes into play in the form of mobile applications and company intranet.

At the end of the day, if an organisation can get employee wellbeing right (which absolutely involves financial education), then it can improve employee engagement, it can improve employee health, and it can improve employee productivity.

It makes sense, then, to get a return on investment for paying for benefits by communicating and educating employees about the value of such rewards. After all, if employees understand the value more, they're more likely to stay with their organisations and genuinely want to work for them.

Charles Cotton is the CIPD's Performance and Reward Adviser. He directs the Institute's performance and reward research agenda. He has recently led research into: how employers can help improve their employees' understanding of their personal finances; how front line managers make and communicate reward decisions to their employees; how employers manage the risks around reward; how private sector employers can build the business case for workplace pensions; how employees form their attitudes to pay; and how the annual pay review process can become more strategic. He is also responsible for the CIPD's public policy reward work and has given evidence to select committees on banking pay and redundancy awards as well as responding to various consultations, such as on pensions, retirement and MPs' expenses.

FLEXIBLE ACCOUNTING

How can platforms like EquatePyramid help corporations get more value from their data?

The sheer number of employees receiving diverse compensation plans presents challenges for corporations and institutions. By their very nature, employee equity plans can be complex, and organisations must handle large volumes of data and turn it into relevant and timely reports.

Equatex's Lisa Sennhauser recently moved into a newly created role to lead a sales programme for the company's financial reporting and accounting solution EquatePyramid. Lisa, who previously had a number of senior finance roles, most recently as CFO of Equatex, and who earlier was also responsible for compensation controlling at UBS, discusses the challenges of global mobility, restructuring activities and regulation in the accounting of employee share plans, and why EquatePyramid is a one-stop shop for all reporting.

The rules surrounding the accounting of equity-based compensation are very complex and there is an inherent risk in the reporting and disclosure, particularly in light of changing accounting and regulatory requirements. For multinationals to fully appreciate the true value of the compensation packages they offer and for the plans to be a success, employers need to have timely access to transparent and relevant reporting.

A challenge for many large institutions is global mobility. The trend toward short-term international assignments means tracking is essential, with employees being in one country for their individual tax purposes; another for legal entity payroll reporting; and in another for business unit performance purposes. Companies must ensure that the accounting of employees' compensation plans is consistently applied across the globe and captures their mobility to avoid falling foul of regulation, or simply not understanding the true location or business costs.

Restructuring activities in a global business also have a financial impact on every aspect of an organisation, including employee compensation. If a company is planning on selling off a division, or relocating certain teams to an offshore entity, it needs to understand the financial impact that this change in location has on the compensation accounting and reporting. Likewise, mergers and acquisitions can impact the financials of employees in terms of tax and earnings. EquatePyramid can create a 'sandbox' using data from the live environment and calculate the impact of various restructuring alternatives on the whole organisation.

> "With EquatePyramid our clients have access to a comprehensive, accurate and real-time accounting and financial reporting tool for their deferred compensation plans. Powered by industry experts such as Lisa, we take the pain out of financial reporting and empower our clients with a higher level of confidence and flexibility in their reporting"
>
> **– Finn Dahl,**
> Head of Equatex Nordic

More than a financial reporting tool

While most large institutions have proprietary tools to do their accounting for equity-based compensation, there is still a lot of resources employed, and significant use of spreadsheets and manual reconciliation. Outsourcing this to an external provider, and thus having your financial staff across the organisation accessing their financial reports from a central platform, like EquatePyramid, is cheaper, more efficient and less risky, and it offers a full audit trail that is easy to understand and transparent.

The platform takes the data from institutions' employee share plans and transforms it into accounting data transmitted through easily accessible reports across legal entities or business management units. For example, regions or tax and treasury departments can access their own reports regarding personnel costs, related tax deferrals as well as the share plans' impact on diluted earnings per share. The platform can receive transactional data from any plan administration system – in-house or external.

Accounting is complex and a good platform also requires an experienced team of experts, which is something that we have developed over 14 years. Equatex has more than 25 financial experts employed in our financial reporting competence centre in Olso, Norway, purely for their in-depth expertise of international accounting and disclosure requirements for deferred compensation. With the aid of their knowledge, the platform is equipped to handle the main global accounting standards, IFRS and US GAAP, and can be adopted for local GAAPs.

The tool and our highly qualified people who keep it up to date with requirements help companies and organisations get more value from their accounting data, enabling them to make better management decisions for their employees.

Words: Alex Soojung-Kim Pang, *The Distraction Addiction*
Illustration: Tim Bradford

Fighting digital distraction

Digital technology has become an indispensible part of our daily lives and many argue that distraction is the price of our high-tech world, but Alex Soojung-Kim Pang, author of The Distraction Addiction, says that's wrong. He believes that we need to retake control of our relationship with technology and learn to use it in ways that allow us to be more mindful, efficient and productive

At its simplest, distraction occurs when you should be focusing your attention on a specific task, but some other task or thought keeps you from staying focused. Now there are times when it's perfectly fine to let your thoughts take over. In fact, our brains are well designed for mind wandering; distraction, however, is less positive.

We originally imagined that technology would make us smarter, more focused and efficient, but it seems to be doing the opposite and challenging our capacity to focus and our ability to be productive. Studies have shown that many of us check our email 50 times a day and we have around 150 interactions with our phones. Nobody designed our email to be that interesting, but human beings like novelty; we feel excited when we receive a new message and look for that kind of stimulation by constantly checking our mail.

In other cases, distraction is very much a product of design, and games and media companies like Buzzfeed have learned to design their apps and interactions in a way that captures and commoditises our attention. One very simple example is a smartphone game called Drawsome. It automatically begins a new round so there is no natural way to end the game; if you want to quit the game, you have to quit on your friends. Humans are social animals and this sort of design cue and social obligation keeps us engaged and therefore playing, whether we realise it or not.

Until very recently, we interacted with technology to do what we wanted to do; now the technology is smart and connected enough to control us.

To help or hinder

Digital distraction raises a novel and unique set of organisational challenges, and it has an impact on productivity in a couple of ways. Organisations are beginning to measure and recognise the significant costs that come with →

forms of digital communication like email and having to manage the constant and growing stream of communication. One study in the US showed that every email message cost an organisation roughly a dollar once the costs of labour and technology had been factored in. Likewise, the fact that it is possible to use these technologies to make work more mobile often means employees are always available to their colleagues. While in theory this should allow for a greater degree of flexibility, in reality our jobs act as a kind of steamroller that bowls over everything else in our lives and it is difficult for companies to step back and assess the effect that kind of technology-driven culture can have. When they do, they realise it is significant.

A consultancy company tried a radical experiment for them and told employees they didn't have to answer their email one evening a week. The assumption was that clients would be annoyed. After a six-month trial period, the company found that employees felt better about their work, they were more engaged and less likely to leave, and they were more productive, not less as had been feared. And the clients? They never even noticed. It's clear that constant communication has an effect on productivity, retention and the ability to focus. When employees feel tethered to their phones or email, it becomes harder for them to do the type of deep thinking required for working on big, complicated tasks. It can also spill over at home; we complain about teenagers texting at the dinner table but what parents tend to overlook is that teens learn this behaviour from us and digital distraction makes it harder for us to model the good behaviour necessary.

Of course there are benefits to these technologies but I think these are well rehearsed. The challenge now is about how we can use these technologies so we minimise the downsides and foster relationships that can be deep, profound and satisfying.

Contemplative computing

We can learn to use smartphones, social media and computers in ways that protect our attention. If we feel that we are more pressed for time even though we have more labour-saving devices, we need to understand why that is, and ask how we can redesign those relationships so the technology helps us be more focused and mindful rather than making us perpetually distracted.

I use a term called contemplative computing, which draws on the experiences of people as diverse as Silicon Valley engineers, neuroscientists and Buddhist monks. It is defined as a method to approach information technologies in a way that is mindful and nearly effortless and that contributes to our ability to focus, be creative and be happy.

To give some simple examples of this in practice: I've been working with people in Silicon Valley on their 'white list'. A black list is a list of people who are never allowed into a club or somewhere similar; a white list is a list of people who are always allowed in, and this idea can be used on your phone. You identify those people in your life who always have the right to interrupt you and set up your phone so they have one particular ringtone. The rest of the world gets silence or something very soft. So when your phone rings, you can make a simple and easy decision about whether to take the call.

One of the things I'm finding is that the more senior or powerful people are, the smaller their white lists become. I know executives whose white lists consist of one or two people. What they tell me is that they want their phones to behave the way that people at a party would behave; at a party you don't just go up to people and start talking to them, you notice whether they are talking to someone else or if they even want to be sociable. Phones eliminate all human nuance that we spend plenty of time learning.

Studies have found that interruption is expensive in terms of both mental energy and attention. If people are interrupted, it takes between ten and fifteen minutes to become fully immersed again in what you were doing before. If your phone is more mindful, then you know instantly whether it should be interrupting you.

Likewise, people who are successful at managing email distraction tend to only check their mail a couple of times a day and they allocate certain periods for it as it's really easy for your inbox to dictate what the next several hours of your day will be like. Set aside 30 minutes at 11am and 4pm for mail, rather than trying to deal with messages as they come in. Half of all adults check their email within five minutes of getting up but I would recommend not doing this first thing in the morning as this is when you are most productive. Checking mail automatically as a reflex means you are giving your inbox control over your attention. So doing limited, specific and focused checks is a good way to make sure that you're able to respond to messages, but are not overwhelmed by them.

Smart companies

Employers, as well as individuals, have a responsibility. They need to recognise they are over-estimating how productive employees are going to be if they are always connected versus how productive they will be if they are able to mentally step away from their phones and the office for a period of time. If the organisational culture expects employees to answer their mail immediately, they will require support.

A number of companies have jumped onto platforms like Slack (a real-time messaging platform) in an effort to cut down on email but what it tends to do is substitute one channel for another. Many have implemented rules such as not checking your mail after 6pm. Employees also need to be more thoughtful email users and recognise that sometimes it's easier to walk down the hall and talk to someone face-to-face for 20 seconds rather than electronically.

Start-ups in Silicon Valley operate under the notion that they have two years to make it so they have to work 90-hour weeks and at the end of it, they will be billionaires. The whole industry is structured around the idea that everybody chases the dream or dies trying. Of course, this is only relevant to a small number of people, but it illustrates that it is incredibly valuable to have time to recover.

Studies have shown that giving employees time to themselves makes them much more productive than if they are always 'on' and thinking about their jobs. If companies want to retain people for longer than a couple of years, they need to be smart and give their employees time for recovery.

Alex Soojung-Kim Pang is a visiting scholar at Stanford University and a senior consultant at Strategic Business Insights, a Silicon Valley consulting and research firm. He is the author of *The Distraction Addiction*, which explores Alex's concept of contemplative computing. He began thinking about contemplative computing while a visiting researcher in the Socio-Digital Systems Group at Microsoft Research, Cambridge. The concept is about learning to use information technologies in ways that help you be more focused and mindful, and protect you from being perpetually distracted. Alex's next book, *Rest: Why Working Less Gets More Done*, will be released in December. His website is **www.contemplativecomputing.org**

"If we feel that we are more pressed for time even though we have more labour-saving devices, we need to understand why that is"

HOW TO KICK THE DISTRACTION ADDICTION

Five keys to contemplative computing

1. Technology as tools
Distraction is as old as mankind itself. We have been using tools for millions of years but what's new is our capacity as humans to use technology in ways that extend our cognitive ability. Our brains are very good at treating technologies as tools: as extensions of our own bodies. An example of this is phantom cell phone syndrome, where you feel your phone is buzzing in your pocket even though it isn't there. We need to realise that when our relationship with technology doesn't work, it's not because of us; it's because the technology is badly designed.

2. Defying defaults
We now live with technologies that are designed to intentionally take the natural facility that we all have and redirect it for other purposes, and companies often set defaults in ways that amplify the distraction. On Facebook Messenger, it encourages you to turn on notifications; on Netflix, TV episodes are queued up to begin automatically at the end of the last episode – technology companies are fighting for your attention.

3. Observe your behaviour
So, we need to be more mindful about our relationship with technology and recognise the deep ways in which it affects us, which will then help us to notice the ways in which that relationship can go wrong. Being more contemplative about technology is the first step to being more contemplative with technology. For example, consider how using your phone affects your breathing and posture; we tend to hunch over and hold our breath while waiting on a message.

4. Protect your attention
On a technological level, phones are great at connecting us; however, on a social level they don't discriminate. As mentioned, the white list turns phones into devices that help protect our attention. I would also consider removing social media apps from your phone – save blogging and tweeting for when you have time. Contemplative computing can help you become more attuned to what the benefits of technology are.

5. A Digital Sabbath
Switch off all digital devices one day a week. As our bodies appreciate periods of high-intensity exercise and periods of rest, so too do our brains benefit from deep focus, concentration and sociability with periods of disconnection. The mental phenomenon of mind wandering – of being able to take your hands off the steering wheel of cognition and let your mind do what it wants – is amazingly valuable.

Words: Ankit Shah, Dopamine Agency
Illustration: Ross Daniel Russell

A new player enters

Gamification, the concept of incorporating game design elements into everyday aspects of life, has been on the rise over the last few years. Ankit Shah of Dopamine Agency explains how gamification can be used to boost employee engagement

There are two primary tenets of gamification I come back to time and time again in my work. The first thing that gamification is really good for is helping constituents understand progress: it is a very effective mechanism to help establish goals and objectives, and to help people in their progress to achieving them. The second thing it's really good at is feedback: gamification is extremely powerful for offering direct feedback that helps people to understand their progress and performance.

One of our recent projects at Dopamine has been to reorient the onboarding process for KPMG, a large global consulting firm. We designed a complete experience for their employees, now being debuted around 140 different countries in order to help them understand their inter-firm knowledge – the more you learn about different business or protocols within the company, the more progress you can make through the system. We're also tracking our data on the project and it is being shared with the Harvard Business School – where they'll publish a paper based on the results of learning in a gamified format.

We're also about to debut a large-scale financial literacy-learning program aimed at middle schools and high schools that we are particularly proud of because it has a very social mission behind it. Learning is not a linear process – people learn in a multitude of ways, so going through this holistic experience allows them to understand how well they're performing. It includes game-based grading, which allows cognitive feedback, and gives players iterative chances to do better and improve their knowledge base.

> "Gamification is extremely powerful for offering direct feedback that helps people to understand their progress"

Gamification and share plans

The biggest thing we've noticed with gamification is that at times there is difficulty with translating the benefits that an individual could engender at different points in their lives or careers through share plans, especially among younger generations. The way gamification is liable to be helpful in this scenario calls back to progress, or helping people understand what the future and their contribution to it can look like. In the short term, it's extremely helpful.

If you think about concepts like progress and feedback, they are shared with your manager or the rest of the team, so there's social currency and social credence that comes along with it. Because recognition within gamification is really powerful, being rewarded for things that you've done in a non-tangible way can also be very motivating and powerful.

The gamified experience we've created for KPMG is very much like this; the concept of having both regional (country-based) and global leaderboards – a score-based system that tracks employee progress within an organisation in a similar fashion to sports and online games – is extremely motivating for people. Their performance is viewed not only by the managers, but also senior executives and co-workers, and it's created a situation where people try harder and work harder time and time again because they want to perform.

In the financial industry specifically, gamification is still a burgeoning field. Financial services tend to be on the lagging edge of innovation, because they function in highly regulated environments, often taking a 'wait and see' approach. But if you're increasing performance, increasing productivity, then they'll eventually get there.

A number of financial service operations have seen success as early adopters, however; Simple Banking has a fair amount of good implementation, especially on the progress and feedback side; BBVA, a large Spanish banking group, has won awards for its BBVA Game gamification program, which is aimed around loyalty and customer rewards that focus on engagement with the bank itself. Likewise, Bulgarian bank DSK has launched a successful program called DSK Gameo, which is about helping people save over a long term. MassMutual in the US has also created gamified financial literacy programs that have proven successful.

Gamification and HR

The strongest use of gamification can probably be found in the field of HR. The way HR companies primarily think about gamification is helping to create clear objectives, clear goals, and helping to create the pathway to meeting them. Points systems are definitely a way to go about doing this, but it's about more than just the basic mechanics of points and leaderboards, it's about intrinsically what makes games interesting.

When you study games, you find a couple of things of notable interest: they have fixed toolsets so people know exactly what they're doing and how they should be doing it; they have the ability to allow you to move forward and make progress; and there's consistent feedback in terms of the worlds or understanding that you've reached your goal. HR initiatives help people create journeys towards certain specific and delineated goals.

When we're thinking about employee engagement, what we're really thinking about is how to make things more interesting, and get people to be more committed. If the process and the work itself are not that great to begin with, it's very hard to drive further results there. The one thing that gamification can do, and I go back to these same points because they are so important, is that it can give you means for feedback and progress to tell you if you're progressing in your job. One of the biggest things with employee engagement is that often people don't have proper feedback from their managers, and because they don't have that, they don't really understand if they're doing a good job or a bad job, or performing adequately.

If you're able to offer that to your employees, it's been found empirically that engagement can increase substantially. These are the core principles that make gamification so powerful when it comes to employee engagement. If people are more engaged with their work and not their coffee break or surfing the web, then obviously their productivity will go up.

The issue of retaining talent in an organisation, meanwhile, goes back to the topic of intangible rewards. At Dopamine, we have an internal model called SAPS, which stands for 'status, access, power and stuff'. Stuff is really the only tangible thing in our model but everything else – having employees feel that they are valued and have status; that they have autonomy and access; and the power to create decisions – all of these things are extremely powerful. There's been some significant research that shows that after a certain dropping-off point in terms of salary, what people start to care more about is their autonomy, their power, and their ability to be recognised for good work, and this is the area in which gamification is most allowed to shine.

Ankit Shah is managing director at New York-based behavioural design agency Dopamine, whose clients have included the likes of ESPN, Time Inc., Bentley, Viacom, Bank of America, Fidelity, Coca-Cola, Saatchi & Saatchi, Disney and Google.

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