

Background

In this edition of *Academic Research in Action*, we summarize an interview conducted with the Chief People Officer of a mid-size and fast-growing AI-powered recruitment solutions firm (called “GroTech” for the purposes of this case study). With fourteen locations in European and North American cities, GroTech has experienced the challenges and opportunities inherent in having a geographically diverse presence.

More recently, it has encountered issues related to culture in its US locations also. These are due to the high percentage of employees who now work remotely. While GroTech teams have always collaborated effectively online, whether across states, provinces, or continents, its CPO and CEO sought an incentive program that would create synergy by building a deeper understanding of work cultures and environments between locations; and one that would encourage employees to build relationships in-person.

In 2014, when GroTech was just over 50 employees (now 300+), its CEO and CPO crafted a program intended to bring the company’s employees together in a fun but productive setting. The pair settled on two offsite events, one in Austin, Texas, and another in Berlin, Germany, for their pilot.

This case study might be especially relevant to firms that are struggling to attract workers back to the office on a fully onsite or hybrid basis. The IRF’s recent report *Generational Expectations of Incentives* reports that younger generations express a strong interest in travel rewards, even ahead of flexible work options. The experience of GroTech illustrates the appeal of travel incentives to which most of the workforce qualifies – and the potential affordability of such programs.

The Global Office Exchange Program (GOEP)

GroTech’s leaders want their program to motivate as many employees as possible – and they hope to realize maximum benefits of networking and relationship building. Therefore, the program permits employees with at least six months tenure and at least a ‘seven out of ten’ performance evaluation to qualify. As a high performing company, more than 80% of GroTech’s employees achieve seven or higher on their performance reviews in any given year. Managers must also approve the participation of their direct reports based on workload and client needs. Participation is strictly voluntary, but eligible employees receive no alternative reward should they choose not to join the trip.



We have 45 developers in Minsk. Having most of them there was a big hit. We got to know how each other's work affects the other.

- GroTech Chief People Officer

The program pays for participants' airfare, hotel (six nights), and two group dinners during a one-week visit. Every participant stays in the same hotel, two to a room. Hotels are typically four-to-five-star venues selected for their location, aesthetic, cost, and condition. GroTech looks for modern hotels with contemporary architecture, located in the heart of the host cities. Hotel venues (meeting rooms, etc.) are set up so that participants can work together, 9-5, with breakfast and lunches provided. On Wednesdays, the work ends at noon and participants are free to do whatever they wish in the host city (not paid for by the firm). Five out of seven evenings are left open as well; dinner and entertainment are at participants' expense.

Participants are welcome to tack earned vacation onto the trips so that they can explore and enjoy host cities and regions after the event. In that GroTech's CEO and CPO designed the program as a work/vacation incentive, the requirement to work from hotels, with colleagues from across the firm's fourteen locations, remains a key element. The pair considered a more traditional incentive group travel program but felt that its potential to drive internal competition, and its exclusivity (typically the top 10% due to costs) clashed with the firm's culture. The pair wanted to 'move the middle' so to speak – not just the top 10% – to foster broad collaboration, synergies, and ideation.

Expansion & Growing Pains

Since 2014 the program has grown as the company itself has grown. Each year (except during Covid), and with much anticipation, the CEO announces the US and European cities that will host the event that year. Today, more than half the firm (about 180 employees) qualifies for the reward, and this year, more than 90 chose to participate. The CEO attends every event, as do most executives.

In its first iterations, GroTech paid for a partner or spouse to attend the event. This component was dropped in 2017, not due to costs (this year's European event cost about \$170,000 including travel, hotel, food, and entertainment) but because leaders felt that the program's objectives were being compromised due to participants spending more time after the workday with their partners than with each other. Partners still often fly to the locations (at their own expense) after the event, to spend vacation time in the host region.

GroTech has experienced other challenges. In the first events, the mix of mostly single, young people – with all you can eat and drink dinners followed by after parties – led to complaints from other hotel guests, and visits by security. In one case, a participant passed out shirtless in the hotel lobby. On another occasion, a group was accosted by young men leaving a soccer match, which nearly resulted in a fight. Since then, GroTech has introduced mandatory personal responsibility sessions for all participants prior to leaving on a trip. These workshops emphasize company values and the importance of upholding them whatever the location or circumstances. The sessions include city briefings and which parts of the city participants should avoid, particularly in the evenings. Since the introduction of the personal responsibility sessions, GroTech has not experienced a significant incident.

Program Benefits

Employees love the benefit of subsidized travel and report great satisfaction in spending the week working alongside team members – whom they might otherwise never meet – from all over Europe and North America. As above, GroTech's employees skew to the younger generations – Y and Z – and most participants in the program are single. There were few complaints when the partner element of the program was dropped.



You get to know people, there are no cliques. Someone stands up and says they're going to an escape room, for example, or to a comedy club 'who else wants to go?' they ask. Sometimes we have 30 people heading to one thing, 15 to another, 20 or 25 who just want to wander the city, visit museums and so on, and another group of foodies, like me, looking for the best restaurants.

- GroTech Chief People Officer

As the program nears its 10 year anniversary, it is going stronger than ever, and new components have been added. Though GroTech's leadership appreciates the benefits of remote and hybrid work – especially the flexibility it affords employees – it is concerned with diminished collaboration that results with reduced face-to-face interactions. In late 2022, to counter the limitations of remote work, GroTech added another component to the GOEP. Now, any employee with at least six months tenure, good performance, and the permission of their direct manager, can work for up to one month per year at any of GroTech's 14 locations. Their hotel and flight are paid for by the company. Employees pay for their own meals, transportation (hotels are within walking distance of the office), and other expenses. Partners and even children are welcome, but employees must pay any additional flight and accommodation costs.

GroTech's CPO believes that the company benefits from the GOEP in many ways. He knows, for example, that employees talk about it with their external friends and family. He knows that the firm's recruiters talk about it with prospects, and he believes, based on employee surveys and interviews, that the program aids GroTech in retention – an especially important factor in a competitive market for talent.

GroTech's CPO also points to the less tangible benefits of “cross-pollinating teams,” and believes that when you see how your work impacts others, it aligns you with colleagues and makes you more willing to exert extra effort for them, even if they reside on another continent. He has also observed that ideation and innovation spike for several weeks following every event.

Though GroTech aims to motivate and recognize as much of the workforce as possible with its GOEP programs, it also participates in a High Performer Leadership Program (HPLP) with its parent firm in Germany. Here, the firm's 'A players' – high performers with leadership potential – travel to Germany up to four times each year to attend a revolving and ongoing program requiring eight 'credits' for successful completion. Each visit offers a one-week leadership development workshop (worth one credit) designed to stand-alone so that participants can join at any time, and those who miss a session, drop out, etc. can return and continue until they have completed the program.



The best ideas came from casual conversations. We realize we're more similar than different, and that's a great foundation for innovation.”

- GroTech Chief People Officer



GroTech and its parent firm view the HPLP as much as an incentive/recognition program as a leadership development exercise. The entire company knows who the high performers are, and they know the criteria on which they were selected. Individuals who do not maintain standards are dropped, just as others who qualify join in a fluid manner. The reward for qualified employees is travel plus learning, and potentially accelerated career advancement.

GroTech's CPO says that most employees, depending on their life stage and family circumstances, etc., are highly motivated to meet the HPLP standards and qualify for the program. At the same time, leaders are careful not to permanently brand anyone as a high or low performer. The program is engineered to communicate that while everyone is a potential 'A player,' not everyone can make the commitments necessary in any given year to qualify. In this way, GroTech avoids resentment because almost every employee believes they can qualify if they choose to make the effort.

GroTech's GOEP has proven itself as a powerful and cost-effective workforce incentive that benefits employees and the firm. Its CEO and CPO continue to view it as an investment in the company's future. The program bridges cultural divides, spurs innovation, and enhances employee engagement. It exemplifies the potential benefits for organizations willing to think beyond traditional borders, both geographical and cultural. For some, it may be a valuable addition to more traditional travel reward programs. Combined with the HPLP it incentivizes almost everyone in the company – not only 'A' and 'B' performers, but even 'Cs' with aspirations.