



Takeda Turkey Establishes Online Points-Based Incentives for Year-Round Recognition

Takeda Turkey
Best Advance in Employee Recognition Program
February 2019



Company Background



Headquarters	Istanbul, Turkey
Year Founded	Turkey: 2009 (Globally: 1781).
Revenue	Turkey: \$51.3 million (Globally: \$17 billion).
Employees	Turkey: 290 (Globally: 30,000-plus).
Global Scale (Regions that you operate in or provide services to)	The network of the Takeda group spans over 70 countries and regions worldwide: Japan, the United States, Europe, Latin America, Africa, the Middle East and the Asia Pacific Region.
Customers/Output, etc. (Key customers and services offered)	Takeda's pharmaceutical products are marketed in around 100 countries worldwide, including partnerships (marketing alliance partners).
Industry	Pharmaceutical
Stock Symbol	TKPYY (Over-the-counter markets)
Website	www.takeda.com

Budget and Timeframe

Overall budget	\$5,213 for system design and implementation; \$51,395 for yearly award budget.
Number of (HR, Learning, Talent) employees involved with the implementation?	Two HR professionals were involved.
Number of Operations or Subject Matter Expert employees involved with the implementation?	One vendor was involved with the implementation.
Number of contractors involved with implementation	
Timeframe to implement	Six months
Start date of the program	August 2016

Business Conditions and Business Needs

Based on the corporate philosophy of “Takeda-ism” (integrity, fairness, honesty and perseverance) developed over its long corporate history, Takeda has been serving society with innovative medicines and helping patients reclaim valuable moments of life from illness. Established 237 years ago, the small enterprise has grown into a global pharmaceutical company that has earned the trust of its stakeholders, expanded its operations and developed its own unique set of competences.

One of the biggest milestones of the globalization strategy was the integration of Nycomed in 2011. Due to the integration, Takeda has expanded its market to over 70 countries and has been able to enhance its sales structure and expertise to deliver pharmaceutical products to more patients and medical stakeholders around the world.

Global Transformation: Committed to Takeda-ism

Keeping the values of Takeda-ism as its foundation, the company is focused on the priorities of the patient (put the patient at the center), trust (build trust with society), reputation (reinforce Takeda’s reputation) and business (develop the business) — in that

order. By driving transformation based on these values, the last two years can be characterized as a turnaround for Takeda.

Figure 1: Values of Takeda



Source: Takeda

Heralding a New Chapter in Takeda Turkey's History

Takeda started its operations in Turkey in 2009 as part of its “growth in Europe” strategy and expanded three times in the last six years. The first transformation for Takeda’s Turkey organization was the Nycomed integration in 2011. In May 2015, Takeda acquired a select portfolio of 13 products and started local manufacturing in Turkey. This was one of the most exciting moments in Takeda Turkey’s history and the biggest transformation started with the acquisition in 2015. After that, there was a new chapter in Takeda Turkey’s history with the establishment of Takeda Oncology, which is an area full of competition with high demand from patients and physicians.

Takeda Turkey is a young and startup-minded company backed by a corporate heritage of 237 years.

In the light of this information, a new HR team was built in Takeda Turkey in 2015 and a new HR road map and priorities were identified. Takeda Global conducted an engagement



survey in 2015 where results were critical for the Turkey team to understand employees' needs. The results showed that there was a significant need for a rewards system.

Figure 2: 2015 Engagement Survey — Rewards Question

Improve	12	Reward	27	I receive appropriate recognition (beyond my pay and benefits) for my contributions and accomplishments	27%	-24%
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Source: Takeda

To assess the results of the survey, a structured workshop was conducted with selected employees and managers and the rewards system was identified as one of the critical development areas.

Overview

Before starting the design of the new rewards program, the management team identified the most critical capabilities and behaviors in the organization to achieve goals and transformation. The most critical objective of the new rewarding program was linking these capabilities and behaviors with Takeda's recognition methodology to reinforce the behavioral changes in the organization.

Supporting a behavioral change of the employees was crucial for the success of the program. As a result, the rewards program and all HR practices were aligned and linked with the strategy and the goals of the organization to attract, retain and motivate employees.

In addition to this objective, the new rewards program also required covering development areas which were identified by the employees during the workshop.

The workshop showed:

- In Takeda Turkey, achievements are celebrated only once a year.
- There were several achievements recognized during the year but there were only a few categories of awards for celebrating those achievements.
- Great achievements were rewarded but small achievements were not appreciated.

- Employees wished they had the chance to choose their prize and reward (i.e., vacation, training, etc.).

The previous rewards system was only giving employees a chance to be awarded once a year and only great achievements were appreciated. During the cycle meeting, which took place once a year, an awards ceremony was held and employees were awarded for only the categories written below:

Figure 3: List of Previous Awards of Takeda Turkey



Source: Takeda

In the light of these outcomes and goals identified by employees and the management team, Takeda Turkey's HR team decided to create a unique, innovative, personalized, 24/7 accessible and well-established online incentives program.

Takeda Turkey's Goal and Main Focus

- Personalized and unique awards.
- 24/7 award.
- Time-independent and non-spatial.
- Remarkable awards for great achievements and appreciation for minor successes.
- Not only once a year, but continuous rewarding.

One of the most important elements of Takeda's commitment to its employees is to appreciate and reward employees for their success. It was believed that implementing different practices for rewarding employees is crucial to spread the rewarding culture to the whole company. The main goal is increasing the commitment and loyalty of the



employees via unique and innovative rewarding initiatives, which give the company a chance to appreciate employees and give them genuine applause.

Design and Delivery of the Program

The recognition program created was not only for appreciation of employees, but also for inspiring and engaging the employees toward an enriched recognition culture. The new rewards program is designed in line with the most-important prioritization of Takeda Turkey — “putting employees in the hearth of everything by caring and appreciating their achievements”

In accordance with business focus areas, talent objectives and capabilities, new categories were discussed and defined with managers. Previous categories were mainly the same, so additional sales categories and flexible categories were added to Takeda Turkey’s new reward system.

Categories and Category Explanations of the Rewards Program

1. Sales awards.

Figure 4: Sales Awards

Who is awarded	Award Category	Category Explanation	Period	# of Awarded Employees	Points
Medical Sales Representative	1st of Sales / Annual	As a result of annual sales, highest sales scores Medical Sales Representatives will be awarded	Annual	2	500
Medical Sales Representative	1st of Sales / Quarterly	As a result of quarterly sales, highest sales scores Medical Sales Representatives will be awarded	Quarterly	2	175
Medical Sales Representative	1st of Sales / Monthly	As a result of monthly sales, highest sales scores Medical Sales Representatives will be awarded	Monthly	2	75
Medical Sales Representative	2nd of Sales / Annual	As a result of annual sales, second highest sales scores Medical Sales Representatives will be awarded	Annual	2	300
Medical Sales Representative	2nd of Sales / Quarterly	As a result of quarterly sales, second highest sales scores Medical Sales Representatives will be awarded	Quarterly	2	100
Medical Sales Representative	2nd of Sales / Monthly	As a result of monthly sales, second highest sales scores Medical Sales Representatives will be awarded	Monthly	2	50
Medical Sales Representative	3rd of Sales / Annual	As a result of annual sales, third highest sales scores Medical Sales Representatives will be awarded	Annual	2	175
Medical Sales Representative	3rd of Sales / Quarterly	As a result of quarterly sales, third highest sales scores Medical Sales Representatives will be awarded	Quarterly	2	50
Medical Sales Representative	3rd of Sales / Monthly	As a result of monthly sales, third highest sales scores Medical Sales Representatives will be awarded	Monthly	2	50
Medical Sales Representative	Satış - Region Champion	As a result of quarterly sales, each region's 1st of Medical Sales Representatives will be awarded	Quarterly	22	50
Medical Sales Representative	Product Portfolio Management / Quarterly	%90 realization for each products	Quarterly	10	50
Medical Sales Representative	Product Portfolio Management / Annual	%90 realization for each products	Annual	10	75
Regional Manager	Product Portfolio Management / Quarterly	Portfolio management , %90 realization for each products	Quarterly	2	50
Regional Manager	Product Portfolio Management / Annual	Portfolio management , %90 realization for each products	Annual	2	75
Medical Sales Representative	Growth 1st / Quarterly	Highest growth of each groups Medical Sales Representatives will be awarded in quarterly	Quarterly	2	50
Medical Sales Representative	Growth 2nd / Quarterly	Highest growth of each groups Medical Sales Representatives will be awarded in quarterly	Quarterly	2	50
Medical Sales Representative	Growth 3rd / Quarterly	Highest growth of each groups Medical Sales Representatives will be awarded in quarterly	Quarterly	2	50
Medical Sales Representative	Growth -Region Champion / Quarterly	Highest growth of region's Medical Sales Representatives will be awarded	Quarterly	22	50
Medical Sales Representative	Growth - First Regions MSR's	All MSR's of the highest growing region will be awarded	Quarterly	20	50
Regional Manager	Growth-Quarterly	First ranking in Turkey or highest ranking team between all region's Regional Manager will be awarded	Quarterly	2	50
Medical Sales Representative	Growth 1st / Annual	MSR'S, who are the first group to grow the most annually, will be rewarded	Annual	2	75
Medical Sales Representative	Growth 2nd / Annual	MSR'S, who are the second group to grow the most annually, will be rewarded	Annual	2	60
Medical Sales Representative	Growth 3rd / Annual	MSR'S, who are the third group to grow the most annually, will be rewarded	Annual	2	50
Medical Sales Representative	Growth-Region Champion / Annual	Each region's highest growth champion will be awarded	Annual	22	50
Regional Manager	Growth- Annual	Highest growth score of region's Regional Manager will be awarded	Annual	2	75
Medical Sales Representative	Growth - First Region MSR's	All MSR's of the region with the highest growth annually will e awarded	Annual	20	50
Regional Manager	1st of Sales / Quarterly	As a result of quarterly sales, first highest sales scores Regional Managers will be awarded	Quarterly	2	175
Regional Manager	1st of Sales / Annual	As a result of yearly sales, first highest sales scores Regional Managers will be awarded	Annual	2	500
Regional Manager	2nd of Sales / Annual	As a result of yearly sales, second highest sales scores Regional Managers will be awarded	Annual	2	300
Regional Manager	3rd of Sales / Annual	As a result of yearly sales, third highest sales scores Regional Managers will be awarded	Annual	2	175
Product Specialist	Best Medical Score	Highest Specialist's Notes and Medical Exam Notes Product Specialist will be awarded	Annual	2	100
Product Specialist	Access to Medicine Award	Providing highest number of new patients Product Specialist will be awarded	Monthly	2	50
Product Specialist	1st of Sales / Annual	As a result of annual sales, highest sales scores Product Specialist will be awarded	Annual	2	500
Product Specialist	Message Recall Champion	The Product Specialist who achieves high results in the parameters will be rewarded	Annual	2	200
Product Specialist	Message Recall Marketing Champion	The Product Specialist who achieves high results in the parameters will be rewarded	Annual	2	200
Product Specialist	Ipad Usage	According to the iPad usage report, the most successful use is awarded	Monthly	2	50

Source: Takeda

2. General Awards

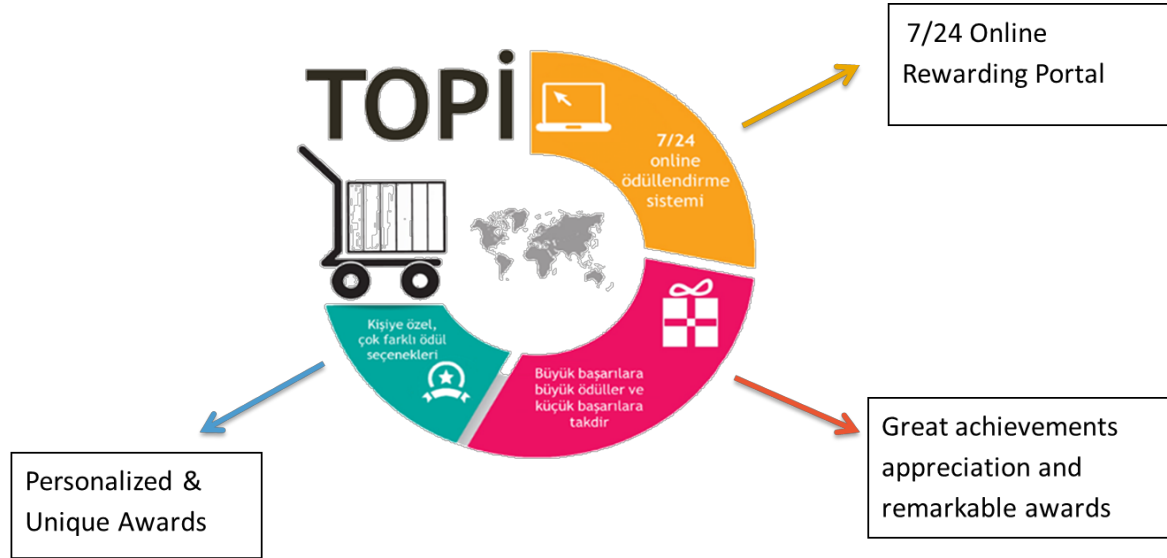
Figure 5: General Awards

Award Category	Category Explanation	Period	Points
Reducing Cost	People who minimize costs, take action against them and achieve success will be awarded	Instant	175
Taking Proactive Action	Agility, proactive behavior, foresees risks or advantages and proactive action and project actors (e.g. successful sales forecasting)	Instant	100
Taking Innovative Action	To lead innovative projects and take action For example, to increase employee engagement and to realize adaptation of projects that have not been done before within the company	Instant	100
Process Improvement	Contribution to improving the application quality of processes, using time effectively	Instant	100
Achieving Results In Difficult Conditions	Achieving success in difficult conditions	Instant	100
Team Work	Displaying a different and successful working model as a team	Instant	100
Taking Additional Responsibility	Providing support to projects outside of his/ her function with her own request, other than the current task.	Instant	100
Customer Focus	Performing customer oriented studies For example, Key Opinion Leader Projects , successful Advisory Board, Medical Director who makes the most successful DGA, fastest recruitment,MSR using the most successful promotional material, TTT making the most successful DGA, etc.	Annual	100
Project Management	Carrying out and managing a successful and different project for sale and satisfaction For example, successful launch project, projects for health professionals, etc.	Instant	100
Seniority Awards	Employees who completed 4 year seniority in Takeda will be awarded	Annual	470
Seniority Awards	Employees who completed 4 year seniority in Takeda will be awarded	Annual	470
Takedaism Values Awards	For each Takeda-ism values will be awarded	Annual	500
Company Special Award	Who made maximum contributions or critical project management awarded by the General Manager	Annual	5000
Living Our Values Awarda	Living our values award assigned by Compliance Director	Annual	100
Employee Reference Award	In our recruitment processes, if there are reference candidates from our employees, the employee who is the reference is rewarded after the trial period is finished.	Instant	250
Internal Trainer Award	Takeda DNA Onboarding & Vitamine Trainers	Instant	250
Excellence In Leadership	People who develop their team or who show excellence leadership behavior are determined and chosen by management team	Annual	500
Ti'Club Members Award	Active Ti'club members will be awarded	Annual	100
Flexible Category	Flexible category different from other categories	Instant	Manual
Quality Conversations Award	According to the employee survey to be conducted at the end of the year, 3 managers who get the highest score are awarded.	Annual	200

Source: Takeda

A new internal recognition and awards program called TOPI (Takeda Online Points-Based Incentives) was created.

Figure 6: Logo of TOPI

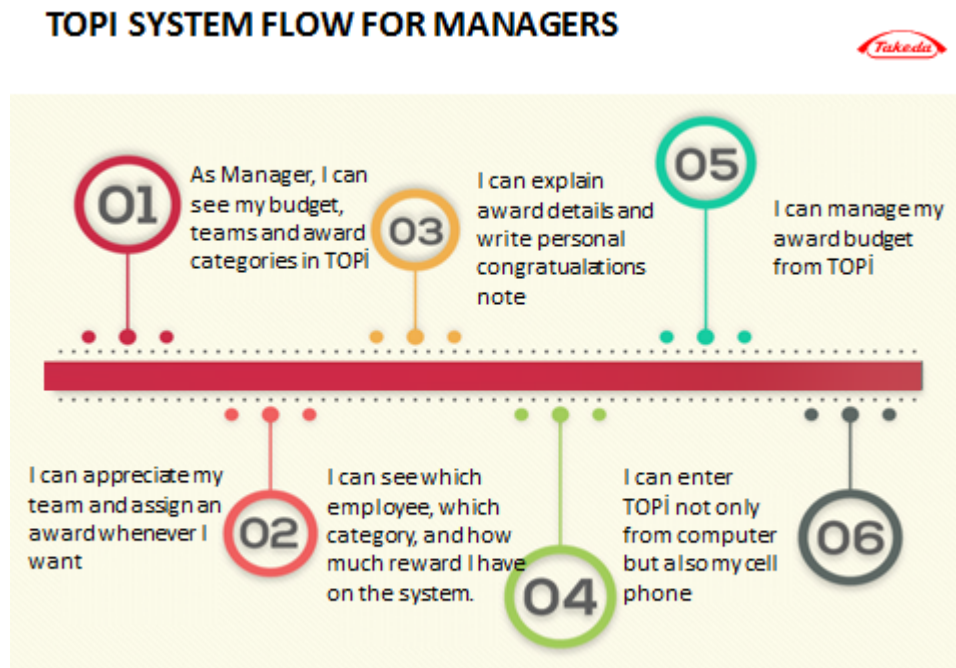


Source: Takeda

All Takeda Turkey employees have an account for the online TOPI system. For new joiners, regular system training organized by HR. Every manager has individual budget, which was defined in the beginning of year and depends on the number of department headcount. All managers can award and appreciate employees' success via TOPI's awarding system during the year. TOPI also is available for smart phones and tablets as a iOS application.

The system has different working methodologies for managers and employees. Managers have access to see their teams, yearly budget and applied awards with a balance. They also have a chance to see award categories and points in their accounts. The TOPI system enables managers to add personalized notes while assigning an award to their teams. That creates a personal touch and unique connection between managers and employees.

Figure 7: TOPI System for Managers

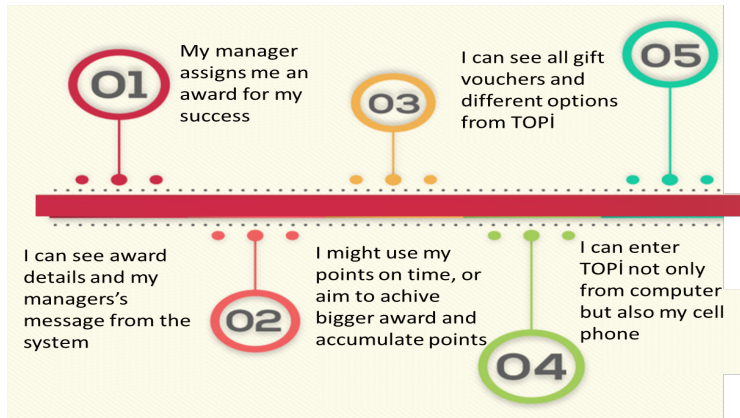


Source: Takeda

Employees can see award details and messages from TOPI. When a manager assigns an award from system, employee receives an email with the manager's appreciation message. The employee can enter TOPI and see assigned points and gift options and can accumulate his/her points or use points whenever they want.

Figure 8: TOPI System for Employees

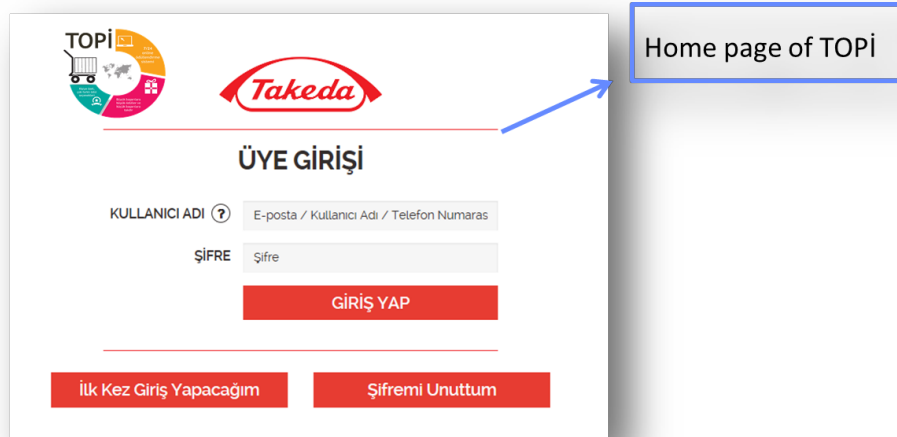
TOPI SYSTEM FLOW FOR EMPLOYEES



Source: Takeda

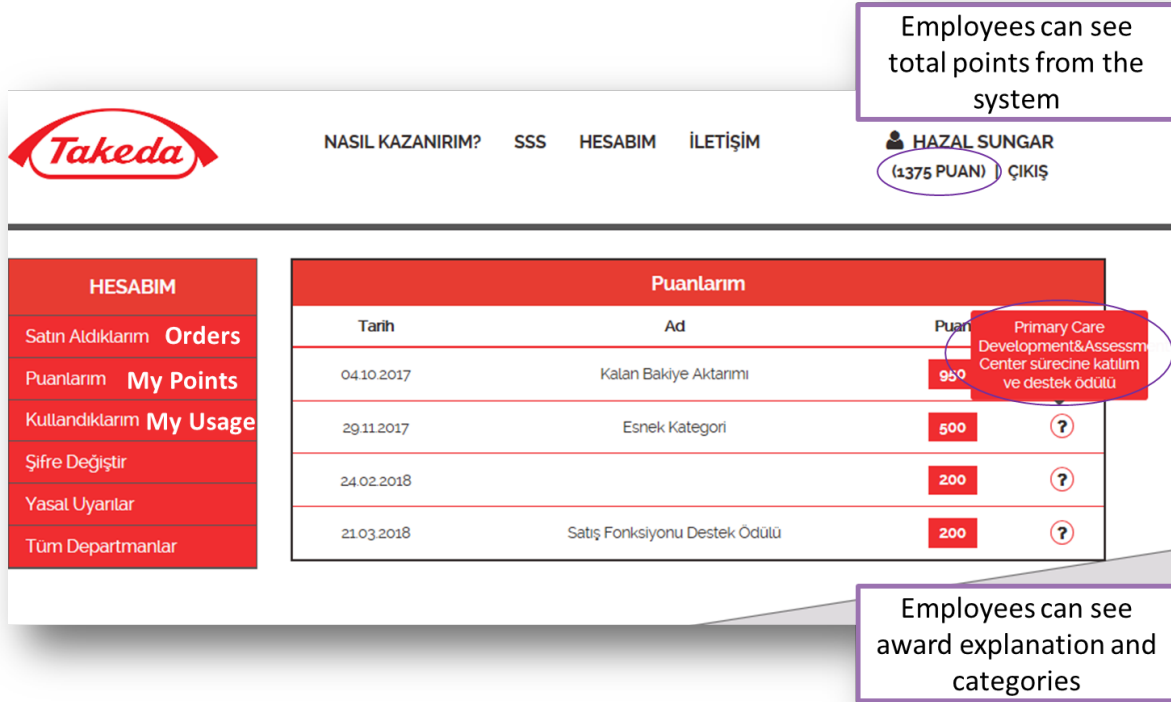
Screenshots from the system:

Figure 9: Home Page



Source: Takeda

Figure 10: Employee Points and Awards



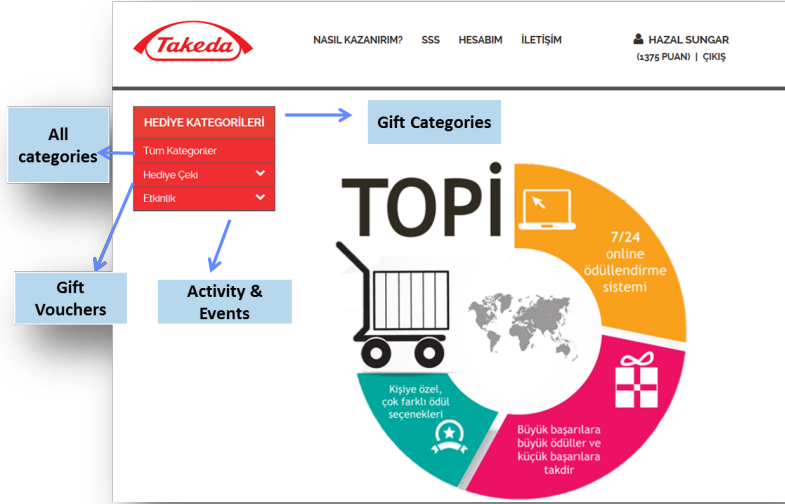
Employees can see total points from the system

Employees can see award explanation and categories

HESABIM		Puanlarım		
Tarih	Ad	Puan		
04.10.2017	Kalan Bakiye Aktarımı	950		Primary Care Development&Assesment Center sürecine katılım ve destek ödülü
29.11.2017	Esnek Kategori	500	?	
24.02.2018		200	?	
21.03.2018	Satış Fonksiyonu Destek Ödülü	200	?	

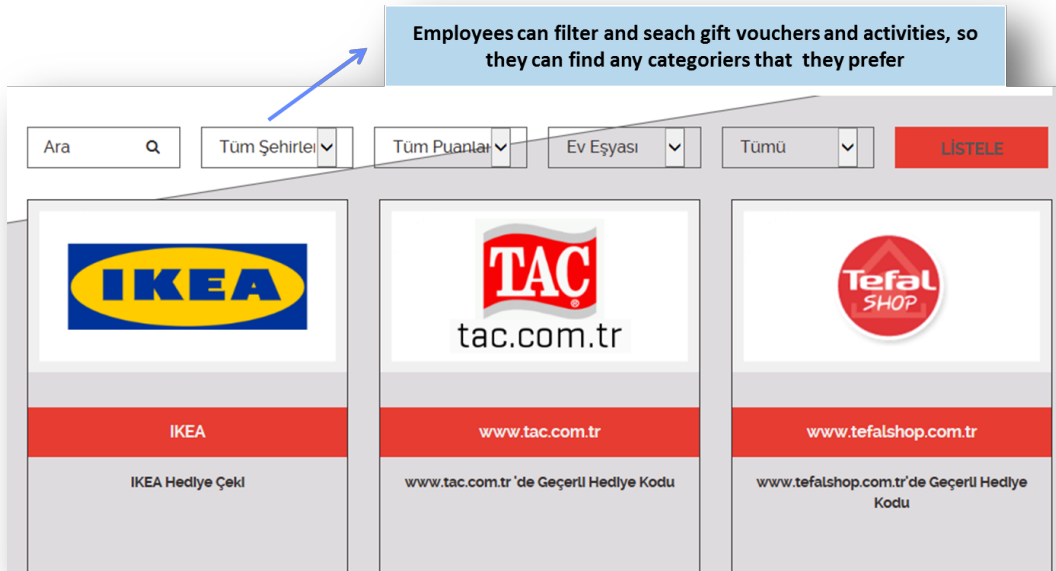
Source: Takeda

Figure 11: Home Page Categories



Source: Takeda


Figure 12: Filter and Search Feature



Source: Takeda

Before starting the TOPI project, it was determined that strong communication makes a significant impact among employees. Therefore, monthly and quarterly communications were shared with employees, including creative and promotional content.

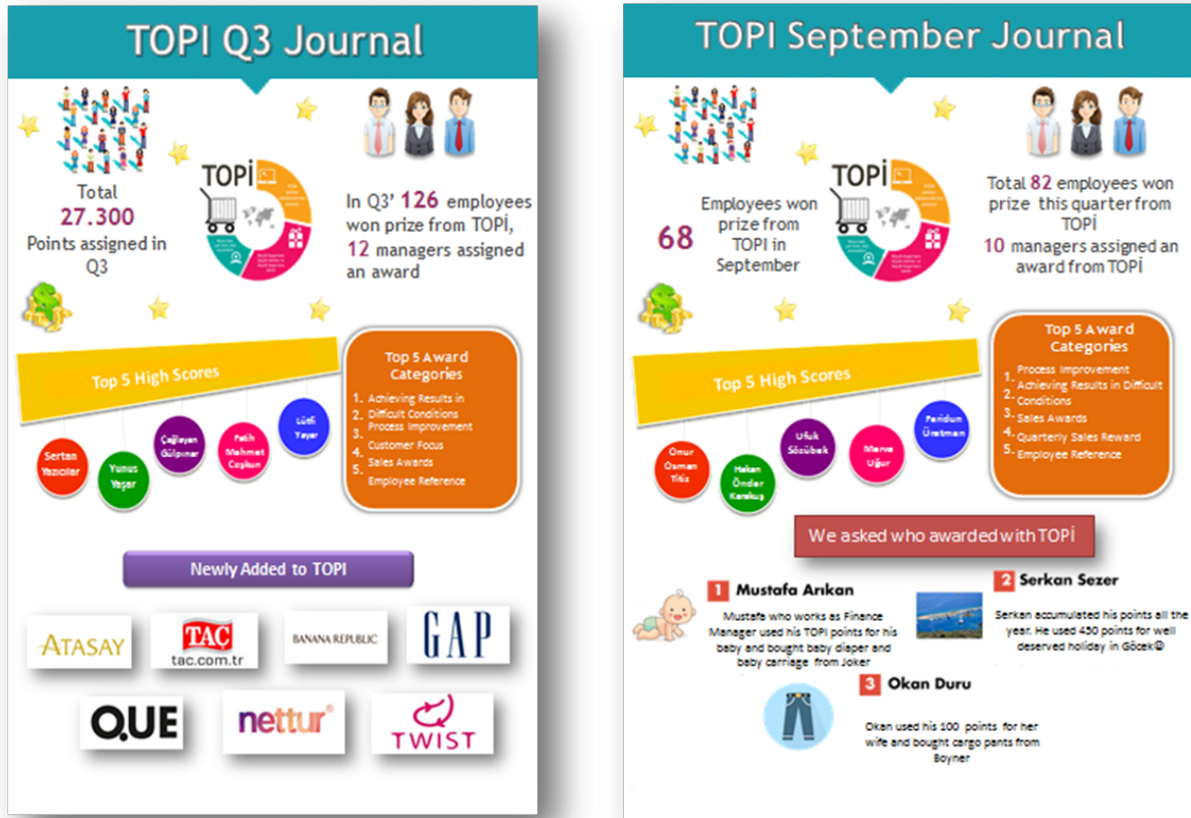
Figure 13: Communication Email Examples



The image shows a communication email template for Takeda's TOPI project. At the top left is the TOPI logo, which includes a shopping cart icon and a world map. The main heading is "Employee Reference!" in orange. Below it, the text reads "İşte bu ayın kazananları" (These are the winners of this month) and "Aralık 2016" (December 2016). The central message is "Referans oldular, kazandılar!" (They were referred, they won!). To the left, there are two photos: one of Gökhan Avvuran and one of Nura Aykanat. To the right, there is a paragraph of text in English: "Nura and Gökhan, said We have very talented friends, and they offered their friends by following open positions. His friends hired and completed a 2-month probation period and they earned 250 points from TOPI. Be a reference, earn points from topi when your friend is hired and the trial period is complete". At the bottom right, there is a call to action: "If you want to refer an employee for open position . Please share CV via tr.hr@takeda.com".

Source: Takeda

Figure 14: TOPI Journals



Source: Takeda

Based on Takeda Turkey's compensation and benefit strategy, a total rewards statement is managed by HR and includes several components (each element is shown below). TOPI also is an important part of the total rewards statement.

Figure 15: Components of Total Reward Strategy



Source: Takeda

Integration

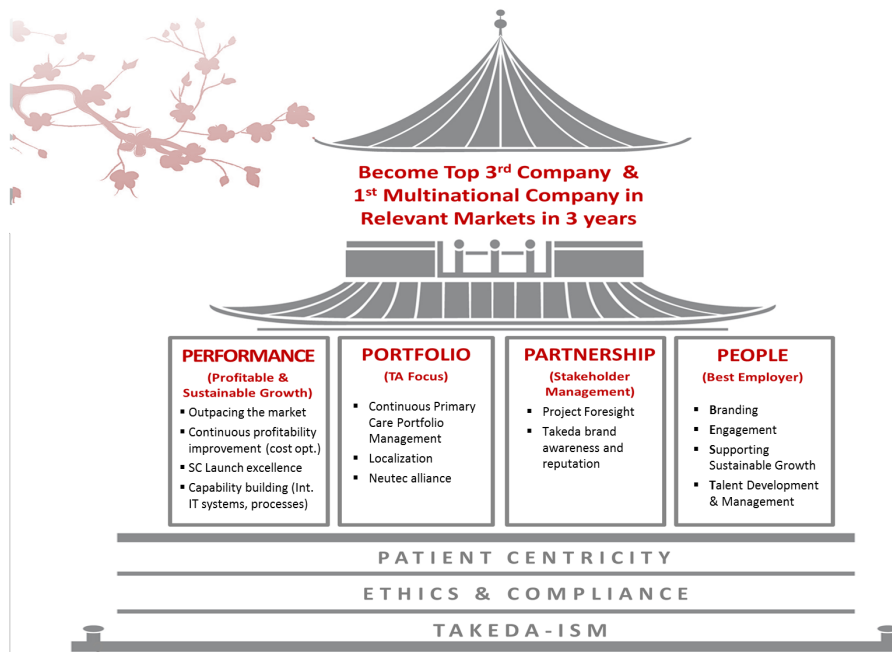
Takeda Turkey's business strategy is to be the best employer by bringing the best talent in Takeda and ensuring that all employees commit and contribute their best for the patients and society and inspiring employees to unleash their potential and transform it into sustainable success in any circumstances.

Patient-centricity, ethics *and* compliance and Takeda-ism are *the* main and timeless priorities of Takeda.

Takeda Turkey's strategic house defines four key elements of its business strategy:

1. Performance.
2. Portfolio.
3. Stakeholder management.
4. People.

Figure 16: Strategy House



Source: Takeda

Human Resources' strategy was linked entirely within the corporate strategy and constitutes a "people" focus, which is one of the four core competencies. The expansion of Human Resources' strategy within the Takeda Strategy House has been defined as "Best." The "Best" strategy is made up of four main focus areas that serve the vision of becoming the "Best" employer. The "Best" strategy includes innovative Human Resources solutions that will serve Takeda's vision of being the "Best" employer, a philosophy which is well-known by each employee.

The four main objectives of the "Best" strategy are:

1. Branding and talent acquisition.
2. Engagement and retention.
3. Supporting sustainable growth.
4. Talent management and development.

Figure 17: HR Strategy

Takeda Turkey HR Strategy

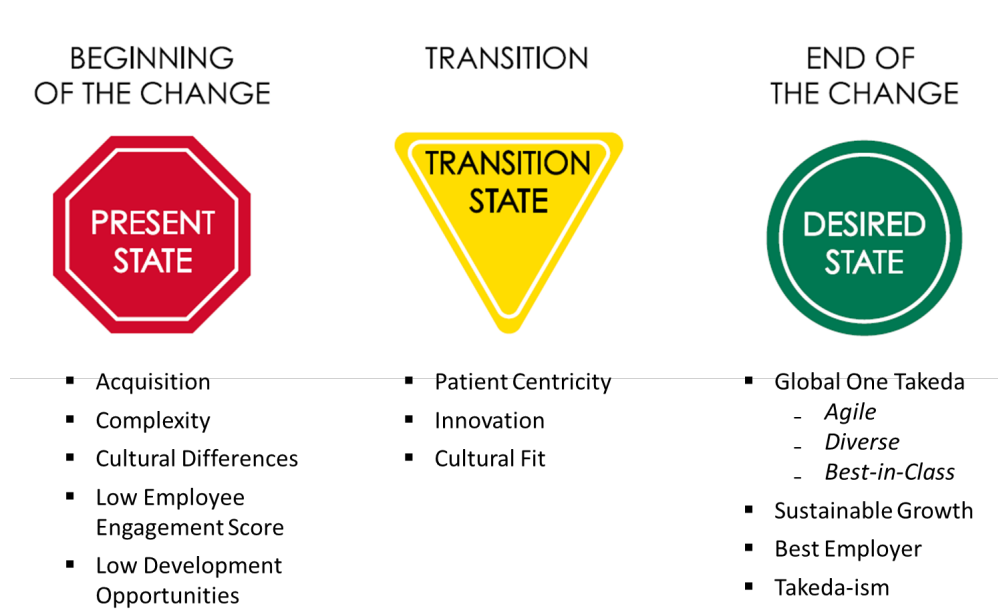


Source: Takeda

Takeda Turkey's reward program TOPI serves the engagement objective of "Best." Internally and externally, a fast-changing environment brings ambiguity and requires organizational readiness for different dynamics. As a result, to adapt the current organization for the future business environment and competition, ensuring organizational Agility and being the preferred employer for talents are Takeda Turkey's main focuses and challenges.

The main goal is to create a digital online platform to strengthen Takeda Turkey's talent management process and create a targeted and differentiated development planning for all employees, including the field force.

Figure 18: Takeda Turkey Transformational Change-Mapping



Source: Takeda

Transformational change-mapping shows the present state, transition state and desired state. The present state shows Takeda Turkey’s transformation in 2015, the transition stage shows the company’s actions and critical steps to switch to a desired stage. The desired state only is possible if the business strategy and objectives of the transition state are achieved. Takeda’s transformational change management started by identifying the desired state, the present state and the transition state regarding continuous communication — that’s why the transformation is so crucial to the success of the organization.

Personal and organizational barriers were systematically analyzed and identified, making a significant contribution to the change. To achieve business results, tactics were generated to increase readiness and decrease the time and resources required to make changes.

The transformation strategy road map was identified based on the assessments of employees and the outcomes of workshops and focus groups. Creative deployment initiatives were developed to overcome the challenge of the busy agenda of leaders and employees. Using “live streams” helped to implement a development strategy with the conflicting needs of the organization.

Transformational capabilities were created parallel with HR processes such as recruitment, performance, talent management, pay and recognition. These capabilities were critical by reason of connection between capabilities and the reward system.

Figure 19: Methodology



Source: Takeda

Measurable Benefits

The KPIs of the Program:

- Extending a reward culture for the whole company.
- Encouraging managers to assign awards for each employee.
- Increase engagement level from 27% to 71% (based on comparisons between 2015 and 2017 engagement scores).
- Regrettable loss 0% in FY2017. (The regrettable loss rate calculates the outcomes of talent management and the resignation of the employees who are in 7 and 8 and 9 boxes.)

- Number of awarded employees is now 264.
- Amount of total assigned awards points: 160,500 TRY (\$40,000).
- 45 different award options were used (vacation, gift card, training, clothing, shop card, relaxation, etc.).

Overall

In line with transformation and engagement objectives, Takeda Turkey has implemented its reward program and achieved a great impact in the eyes of its employees. Lessons learned and the future outlook include:

- The importance of a personalized and unique awarding for employees (they feel more connected and valuable).
- The importance of technology usage and accessibility that gives an opportunity to reach an award program whenever employees and managers want.
- The importance of establishing a living and active rewarding system (not only at certain periods of the year).
- As a result of exit interviews, Takeda Turkey employees' answers showed that a reward system plays a vital role in attracting and retaining employees.
- Strong and innovative communications were vital for this project and employees awareness has increased with communication.
- Takeda Turkey's team inspired other countries to build an online reward program for future implementation.
- Next year, non-monetary awards will be added to TOPI (such as a dinner with the management team, mentoring, career coaching from HR executives, etc.). With this implementation, Takeda Turkey is expecting a permanent increase in engagement.



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