

Hrm 531 career development iv



Career Development Plan IV ??“ Compensation Jeffrey

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Compensation As InterClean??™s moves forward with the merger with EnviroTech (University of Phoenix, 2009, p. 1) management must consider what changes if any will be needed to their current compensation plan. There are several compensation plans companies can choose from but what must be in the minds of executives is what plan will motivate employees to be most productive. Lincoln Financial chooses to take the stance of, pay and promote employees for productivity and only productivity (Casico, 2006). This essay will investigate which compensation plan best suits the continued growth of InterClean??™s in their new direction.

Compensation Plan With InterClean??™s decision to become a product base organization as opposed to service changes to the current compensation packet may be in order. Outside sales employees will be asked to create business rather than simply sustaining current business opportunities. As a result outside sales will work under a competency-based pay system with the option for financial in the form of commission for meeting long and short-term sales goals. Competency-based pay states that the employer will pay employees based on their skills and knowledge rather than their production (Casico, 2006).

Because this is a new endeavor, it seems best that the company choose this direction and consider strictly commission pay only once they can access average sales levels in the future. Inside sales representatives will serve as support structure for the outside sales to follow up and provide customers with immediate assistance. For that reason, they will be given market-based

pay while operating under a nonfinancial reward system (Casico, 2006).

Because inside sales does not generate sales consistently, they will receive annual raises but have the opportunity to receive other incentives (concert tickets, gift cards, awards. etc) when the company meets various benchmarks. It is important to reward the inside sales staff as it relates to their performance although their pay is not directly related.

The International Journal of Manpower states, ??? the use of performance-related pay is positively associated with autonomy of the main occupational group in terms of defining work tasks (Barth, Bratsberg, Haegeland, Raaum, 2008). Both types of employees will have access to all benefits packages. Security benefits and health Benefits such as life insurance, HMO??™s, disability insurance, severance pay, workman??™s compensation, and others are essential to the welfare of employees. The object is not only to provide the essential forms of benefits but also to go above and beyond for employees. Give employees a sense that the Company appreciates them enough to care about the things that are important to them. As a result InterClean will offer an option for 401K or profit sharing, employee stock purchase plans, maternal and paternal leaves as well as offer discounts for child care through local daycare centers. As noted by the article Flexible Workplace Policies, ??? Work-family policies have been evolving in the United States over the past 30 years as a way to attract and retain a highly skilled workforce and to enable workingwomen and men who have family care giving responsibilities to participate fully in the workplace without compromising the well-being of their dependents??? (Liechty, Anderson, 2007, p. 304).

Cost and Rewards Companies are in the business of make money. So the question arises, why provide extensive compensations plans with financial and nonfinancial rewards. The purpose of a rewards package is simple. Provide employees a sense of appreciation for what they do every day. Rewards must have three characteristics to be effective, 1) must be something that the employee can use, 2) must be given in a timely manner and 3) must be the result of a specifically spelled out goal (Casico, 2009). Giving tickets to the ballet may not entice people to work more productively.

The purpose of any reward system should be to motivate employees to be more productive in a general area. As a result when an employee obtains a goal, they should be rewarded within a short time frame. People in today's society crave instant gratification, which can be byproduct of contributed to the growth of the Internet. People have the world at their fingertips with the stroke of a just a few keyword searches from sites such as Google and Yahoo.

The one concept that is often overlooked though is defining exactly what goals individuals are to strive for. Rewards are meaningless unless employees believe that they are obtainable for all. Conclusion InterClean has created a compensation plan that benefits both the company and its employees.

The payment structure in place allows outside sales representative to feel secure that while transitioning they will have a base salary with the potential to earn more by reaching sales goals. Although inside sales cannot earn monetary bonuses they will be rewarded financially annually and with non-

monetary incentives throughout the course of the year. As a company InterClean has created a model that doesn't mandate they overpay individuals for without them producing results. As InterClean changes direction, this will be extremely important in controlling assets. InterClean has made up for the tight compensation package by offering an excellent benefits packages that is headlined by the commitment to family support factors, such as paternal and maternal leaves of absence and daycare discounts. Money can help in many situations but helping provide a stable work-family balance speaks volumes and motivates people and brings about loyalty. References Barth, E.

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