

# [Equity](https://assignbuster.com/equity/)

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Equity Internal alignment is done to tune up the organization with the present goals and objectives. The internal alignment is done to support the smooth flow of the activities   
  
in the organization with various departments by providing equal opportunity and   
  
paying for the worthiness of the work done by the employees. A well organized   
  
internal alignment provide right ambience for the employee to motivate himself to   
  
perceive the goals of the organization   
  
The factors which regulate the internal alignment are:   
  
External factors: Economic status of that region, Government policies and   
  
regulations & policies, Stakeholders who render their thoughts, Culture & customs   
  
prevailing in that region   
  
Organizational factors: The strategies adopted to run the organization, Human capital   
  
that is going to be spending to develop the manpower resources, production design, hr   
  
polices which include the incentives systems which will lift the employee morale,   
  
internal promotional policies and the employees perception about the organization.   
  
2. Geographic location is an important constraint which decides the internal   
  
payment structure of the organization as the location influences the standard of living   
  
of that employee. A posh locality where it demands high living costs require high   
  
compensation packages so the employee expects that the organization will   
  
compensate the expenses.   
  
Profitability: As the company incurs profits the dispensable income will increase which   
  
will be given to the employees and stakeholders as dividends and bonus. The more the   
  
profits the more will be the pay structure for the employees.   
  
Employee performance: The employee dedication towards the work and the way the   
  
employee perform the job activity will ultimately reflect on the organization's   
  
performance and the profitability. The best employee will be recognized by some   
  
incentives and rewards which in turn motivates the employee   
  
3. External factors like the government policies and regulations, the culture and customs   
  
and stakeholders play an important role in designing a pay structure as they provide the   
  
necessary inputs from unions and other parties to promote or to consider a compensation   
  
package for the employees which is socially acceptable. The organization requires   
  
individuals who can mould their experience into the mission and objectives of the   
  
organization for which there are working for; to accommodate people of this high   
  
interface, pay structure should be unique in its sense to entice the potential employees.   
  
4. Egalitarian and hierarchical structures are two extremes in their field as the former is a   
  
employee oriented and the latter is production oriented. The egalitarian structure   
  
promotes team work, unity and equality among the employees but the hierarchical   
  
structure leaves gap in between the senior power houses and the ground technical   
  
workers which may project the communication gap in the organization. Differentiation   
  
according to these levels will result in misusing the authority towards the subordinates.   
  
5. The method by which the job activities are carried out, the way the job activities are   
  
integrated to other job activities, the unique payment structures will determine the   
  
effective inter alignment of that organization.   
  
6. The pay structures should be competent among the competitors and should isolate from   
  
other firms. They can lead to maintain low attrition rate and encourage the employees to   
  
compete among themselves to achieve personal success and pave to the organization   
  
success. The compensation should be open without any virtual income for a few to   
  
increase the trust of the employees. The pay structure should be according to the norms   
  
specified by the government authorities.   
  
Reference sources:   
  
1. The material can be viewed at: http://www. uafsom. com/pdfs/joseph/447Ch03. s05. pdf