

Equity

Business



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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

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that is going to be spending to develop the manpower resources, production design, hr

policies 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 <https://assignbuster.com/equity/>

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

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individuals who can mould their experience into the mission and objectives of the

organization for which they 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

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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.

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Reference sources:

1. The material can be viewed at: <http://www.uafsom.com/pdfs/joseph/447Ch03.s05.pdf>