

Legal implications for human resources management

[Business](#), [Human Resources](#)



Human resources are the most important resources in an organization and there is a need for human resource management to consider legal implications for every decision they make in regard to employee benefits.

Today, organizations are faced with numerous challenges in sustaining a well-motivated workforce. To ensure that an organization retains the best human resources, several measures are put in place key of which is employee benefits, which is given to the top or executive employees as a motivation to ensure that the organization retains such employees.

Employee benefits range from organization to organization but generally, they include short-term benefits, long-term benefits, termination benefits as well as post-retirement benefits. (Armstrong, 2002).

Pay gap is one of the greatest issues that companies face with regard to employee benefits. Although the pay gaps can be explained by human capital differences, the travel patterns of different employees, there is also the other dimension of occupational segregation as well as workplace segregation, which has been found to bring disparities in regard to employee benefits. (Lowman, 2002). Pay gap can be a source of demotivation of staff as well as a leading cause of lack of unity of purpose in an organization.

Whenever an organization decides to reward men differently from women this can be a source of conflicts in the organization and it is therefore, major challenge organizations are faced with today. Pay gap characterized by gender is a legal problem as it boils down to discrimination in the workplace. This has implications both for the employees involved as well as the organization given the fact that, these differences in employee benefits

allotment creates a feeling of discontentment. In situations where the difference in pay is as a result of level of education or work experience, then this is understandable. However, often employee benefits have been found to be abused by human resource managers in designing rewards. (Thrope, 2000).

Discrimination especially based on race, gender, nationality and color is a major issue that companies face with regard to employee benefits. It is evident that, the economic security of employees is very much dependent on other variables such as race, color and nationality something which can be seen as a major issue that companies face with regard to employee benefits.

The fact that there are very many immigrant workers in the USA, has created an enabling environment whereby employers can abuse the rights of employees in regards to employee benefits without having to worry about legal implications since most immigrant workers do not have valid papers and it is therefore, not possible for such employees to take legal actions against employers even whereby there are cases of discrepancies in awarding of employee benefits. (Lowman, 2002).

The other challenge facing companies with regard to employee benefits is the requirements by the law for a minimum wage rate. This is an issue in that, many companies have been forced to disregard employee benefits citing the mandatory minimum wage limit as being burdensome and being non-responsive to changing market situations. For instance, the wage limits fail to bear in mind that times are changing and competition is becoming stiff

with globalization and pegging rewards on other factors other than market forces is likely to have a negative impact on employers' decisions regarding to employee benefits. As a result, many employers are less willing to award employee benefits solely because they consider the minimum wage limit requirement as burdensome and exorbitant. (Armstrong, 2002).

Over emphasis of pay as a form of motivation is a major issue that companies face in regards to employee benefits. Many companies offer employee benefits in terms of monetary value in total disregard of evidence showing that money is not always a motivator to every employee as there are some employees who work for different reasons other than money. The challenge companies face in this regard is to reform their employee scheme to reflect different needs for their employees. (Thrope, 2000).

Finally, there is the dilemma of just how effective are employee benefits in increasing performance? Employees' benefits as administered in many companies are meant to boost the morale of employees as the prospects of employee benefits is thought to have a positive impact on employee loyalty and commitment to duties. However, the issue arising here is the fact that, by just giving post-retirement benefits or long-term benefits as well as travel allowances, this does not automatically guarantee that employees will remain loyal and committed to the organization.

To deal with the issues raised above, organizations need to work on programs, which are agreeable to both employers and employees by involving employee unions in designing of employee benefits packages. This

will ensure that every interest is taken care of. Another important thing that organizations ought to do to deal with the issues above is to address human capital differences, especially those differences arising from other factors other than level of education or work experience.

There is also a need for organizations to put in place strict rules and regulations as well as workplace policies to do away with any form of discrimination in the workplace, which ultimately reflects on the awarding of employee benefits. It is also important that organizations de-emphasize employee benefits as a form of motivation and opt for other types of rewards, which have little monetary connections. If the above is done, the problem of ineffectiveness of employee benefits will be dealt with and organizations will address the challenges of employee benefits.

Potential future issues that organizations will encounter regarding employee benefits may include; high demand for tuition reimbursement considering the fact that due to rapid spread of information technology, new knowledge is released into the market at a fast rate, which means employees have to keep updated through employee training. Another area or potential future issue that organizations may encounter in regard to employee benefits is any new legislations especially aimed at either legalizing the immigration status of all immigrant workers or expelling the immigrant workers. (Lowman, 2002).

In conclusion, it has emerged from the above discussion that, major issues that companies face with regard to employee benefits include; pay gap,

gender discrimination, over emphasis of employee benefits as a form of motivation as well as lack of clarity on the effectiveness of employee benefits to employee performance. It has become evident that organizations need to de-emphasize on employee benefits as a form of motivation and in addition, there is a need for employers to deal with the problem of discrimination as well as the discrepancy in pay gap. Lastly, employers need to reposition themselves in readiness for future legislations, which may have impact on employee benefits such as legislations on immigration and minimum wage limit.

References

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