

Compensation policies and practices in any saudi company

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



Compensation policies and practices at Saudi Aramco Compensation Policies and Practices At Saudi Aramco A compensation policy is made up rules that lead the human resource manager in the determination of salaries, rewards and other form of rewards offered to the employees. Saudi Aramco is a company in Saudi Arabia that operates in the petrochemical industry. The company recognizes the need for compensating employees appropriately in order to ensure that they are satisfied and to enhance their productivity in the company. The first policy that is applied by the company is the policy on salary administration. The competitiveness of the salary is based determined at both the local and international labor market. The policy also holds that every employee should receive an employment contract specifying their levels of salary. This policy states that every employee of the company should receive a competitive salary and this is aims to ensure that the company is able to maintain a highly competitive workforce with high level of skills and expertise. Through this policy, it is able is able to establish a practice through which the appropriate salary is determined for all employees are therefore able to work competitively for the company. The second policy is the policy on range of salaries and on the method of payment. The range will be dependent on the level of qualification and the work experience that the employee has. The method of payment is monthly and will be dependent on the terms provided on the employment contract (PMU, 2013).

Another policy that the company observes is the benefits policy which ensures that various benefits are offered to the employees. The benefits maintained in the benefits policy include an annual vacation for the

employees, holidays for the employees provided by the company, offering insurance, savings and retirement plans for its employees, offering shipment for personal effects of the employees and assisting employees when undertaking their education. Another compensation policy that Saudi Aramco observes with regard to compensation of its employees is employee's promotional policy which gives the well performing employees to higher levels in the company and this will entail a an increase in the amount of salary that the employee receives. The basis for promotion of the employees may also be upon the application for promotion by an employee. It may also be based on review of the academic records of the specific employee. Another compensation policy that south Aramco applies on its employees is overtime work policy. This policy ensures that the employees are compensated for the extra working hours that they work in the company. The overtime compensation is dependent on the number of extra hours that the employee works and the agreement in their employment policy regarding the terms for overtime. There is also a policy on work environment of employees in the company and this ensures that the company maintains a good environment to allow the employees to feel more motivated to carry out their duties effectively. The policy also ensures that the social environment is efficient and that all employees are able to relate well with one another in their daily activities. The main promotional practices that accompany each of these policies are the relevant steps that are taken to see the effectiveness of each policy. These include payment of salaries, provision of benefits, promoting the employees and conducting performance appraisal (PMU, 2013).

Reference:

PMU. (2013). Human resources policies and procedures manual. Retrieved from: <http://www.pmu.edu.sa/Attachments/About/PDF/About/PP/HR%20Policies%20and%20Procedures%20Manual%202013.pdf>