

# Employee compensation (human resource management)

[Business](#), [Management](#)



Employee compensation Affiliation Employee compensation Demographics should play an important role within employee's compensation because in some cases it is difficult to recruit employees. Additionally, if the place is isolated the people or employees who might be recruited may not be comfortable with the area; hence, through high compensation they get the moral to work in such an isolated region. Thirdly, high cost of living in an area may influence the compensation that is given to employees in the sense that, employees who are compensated with low salaries may find it difficult to sustain their families in such areas (Durai, 2010). Therefore, before an employer decides on the amount of compensation that he or she should give the employees he should first look at the cost of living in the area. Lastly, the issue of risk is important to establish when compensating employees because they may need a form of transport because the area they live in or the working conditions of the employment are risky.

The type of data that is needed to determine the employee's salary includes their working experience because the more a person has worked the better they are at their job. For that reason, in most cases they deserve a good salary. Secondly, the education level of the employees matters a lot because if they are highly qualified then it means that the position they will hold in the organization will be high warranting for a high salary (Durai, 2010).

Lastly, another data that is required to determine the employee's salary is the previous salary that the employee was getting from the organization or the firm that they were working for before seeking working opportunities in the said organization. By so doing, the employer ensures that the all employees are paid according to their stipulated positions and data

provided.

#### Reference

Durai, P. (2010). Human resource management. Chennai: Pearson.