

New and improved rewards at work essays example

[Business](#), [Company](#)



Introduction. Managers and business owners do not need to be compensation experts, but they do need to have basic understanding of the subject matter. They also need to employ the expertise of a HR manager who can create a compensation package that has elements of value for both the company and employees, as well as compelling to those receiving it. Compensation is the reward employees receive for the work they have completed for the company they are employed to, it generally comprises of base pay, benefits and in some companies variable pay. Base pay or salary is monies earned over a specific time period that hourly, weekly, monthly etc., and does not include overtime or bonuses. Benefits package vary from company to company and may include but not limited to basic health, dental and pension plans, as well as fringe benefits like use of company vehicles, tuition payment and any other elements a company deems as attractive and has retention capabilities. Variable pay is in sync with companies' performance and is used to reward staff members who have contributed greatly to the overall performance of the organization, and includes such things as stock options and performance bonuses.

- Determine how innovations in employee benefits can improve the overall competitive compensation strategy of the organization.

In order for companies to remain competitive and successful, their overall HR strategy must include a compensation strategy, which is of extreme importance for the acquisition and retention of top talents. An innovative compensation strategy has the ability to differentiate the company in the current competitive job market, and enhances the attractiveness of the company to potential top talents. Additionally, a compensation strategy

should affect the personnel budget positively by instituting fair pay in terms of the right pay brackets and also drastically reduce employee turnover. The effective compensation package also lends itself to management performance and identifies the successful employees, the ones who are not motivated to leave for better job opportunities. Regardless of the numerous fringes and work-life strategies and programs, fairly paid employees is essential in making employees feel satisfied with the wages they receive for the work they accomplish.

In addition to competitive compensation, an employee's feeling of satisfaction is affected by various elements, such as varying innovative reward strategies, the possibilities of growth and development in their profession, succession plans that guide and lead to their career paths, as well as the organization's culture and leadership style. All these innovative elements, such as flexible working schedules, elder care, retirement programs, moving expenses, subsidized housing, paid leave (sick/holiday/personal days). Subsidized utilities, tickets to events (ball games, concerts), magazine subscriptions, child care, among many others are factors that give a company tremendous competitive advantage, and sets it apart from the many competitors. Since the outlook from people is that that company can adequately pay its successful staff work force, and truly values its success.

- Explain how innovative benefits could be tied to specific jobs.

Studies have shown that the majority believes effective performance should be tied to employees pay. In tying pay to specific jobs business must keep in mind that there are factors that employees are unable to influence, such as

trends in the economic climate. Therefore, managers must ensure that whatever jobs they tie to benefits, the necessary research is done to ensure it is a task employee's influence. Innovative benefits has become continually important, especially for businesses that cannot compete with high wages, as it offers alternatives to rewards that meet the needs of employees. It is also a great way for micro, small and medium businesses to increase their competitive advantages. The costs associated with compensation tend to be a large part of operational expenditure that is ever increasing. But, ironically the problem of employee motivation and productivity are not always resolved by increasing pay or giving promotions. For example, providing career development opportunities, such as training or schooling, is a great way to motivate employees to increase productivity or any other specific job.

Therefore, managers must take into consideration the demographics, work experience, family size, marital status and many other elements when determining the attractiveness and usability of an innovative benefit. For instance, the use of a company vehicle might be a great way to motivate young employees but it would be better to offer a job title or something more appealing to an older employee. Specifying innovative benefits to specific jobs will satisfy the specific needs of many employees and will also allow the company to show their concern in meeting the needs of their workers, and thereby creating an environment conducive to productive employees. To create such a work environment companies need to identify the problems and also the different needs of their employees, before they can tailor an innovative benefit to a specific situation

- Critique the effectiveness of equity-based rewards systems versus those with more creative approaches.

Equity based rewards are the various ways to give workers direct compensation. Alternatives of equity based compensation include, basic pay, which is the monies employees receive for completed work. Incentive pay, is pay given for completing specific objectives above expectations. Stock options, is a right or opportunity for employees to buy into the business, or has shares in the business, and this gives way to employees going the extra mile. Lastly, bonuses are given as a gift for exceptional performance or to celebrate an occasion. Equity based rewards may be effective in employee retention and fostering lasting commitment to the success of the company. However, as a motivational tool it would not be the best choice in all situations, namely, providing individuals with meaningful jobs or careers to match specific strengths of persons. Also, a well designed equity based rewards package can attract and retain high quality managers, as well as aid in the increase of productivity from corporate managers. The degree to which managers may be motivated by equity to increase shareholder value is hard to estimate, but studies have revealed that equity does motivate executives to perform well.

While managers as well as other staff members may be motivated by equity to perform, this monetary reward for many workers is not motivational enough. Therefore Innovative or creative approaches to rewards are employed by many companies to ensure they get the best out of their employees. Separate and apart from being a motivational tool to increase employee' engagement, performance and productivity, creative rewards are

a good way to go when companies have to cut their budgets. The implementation of creative rewards are often times more affordable and cost less than a promotion or increase in pay. Additionally, Innovative rewards can be beneficial to both the employee and the company if they are constructed and implemented for maximum outcome. To achieve the greatest results from a creative rewards system it should be built to focus on developing employee's professional interest, career, and home/family life. Therefore, whatever creative ideas the company implements to motivate the staff should be tailored to individual objectives of employees and that of the company, such as awarding cost of living rewards (laundry services, tuition assistance, supermarket discount memberships, etc.) for a certain percent increase in output.

- Discuss the key elements of integrating innovation into a traditional total rewards program.

The term total rewards have been in use by HR professionals for more than ten years, and is used to describe the combination of various factors of the employment, such as compensation, benefits, and other amenities. These factors are applied strategically, in unison to attract, motivate and retain employees. The total rewards concept has been adopted by numerous companies across the globe, but each company has implemented the concept in their own way that brings the most benefit to the company. One of the key elements of integrating innovation into a traditional total rewards (base pay and basic health, dental and pension benefits required by law) program. When HR professionals and business owners come to the realization that there are many other factors apart from compensation and

benefits that can motivate and retain employees. An innovative rewards strategy must also be aligned with achieving company goals, objectives and mission, and employees must have a clear understanding of these achievements.

Once companies have come to the realization of what is entailed in a total rewards system they must now integrate their own innovative benefits that best suits their organization instead of adopting best practices of other successful companies. Numerous research over time has proven that it is critical for business performance that companies have engaged, motivated employees. Innovative rewards should be satisfying to employees because it takes more than financial compensation to engender happy employees, who are more productive than the average employee. Organizations of this era are now realizing that salaries and basic benefits alone will not cut it. In addition to traditional compensation packages, companies need to offer their employees customizable rewards that can fit individual needs. Google does this well, they allow employees to bring their dogs to work, and they also provide pool tables in the lobbies for the staff to use. These, among other unique, innovative benefits attract, retain and motivate google employees, which aids in making google the success it is.

The implementation of an attractive innovative rewards system like or better than what Google offers is possible for all companies whether small or large by following these simple steps. Firstly, companies must identify the issues they which to address, and take into consideration factors both inside and outside the organization such as, economic issues, supplier and political problems, business goals and workforce capabilities among others. Next,

companies will develop the principles that will guide its reward program strategy, these principles should include but not be limited to links to performance, flexibility, competitive positioning and cost effectiveness. These principles will provide the guidelines for any developing any idea to be integrated into the innovative rewards system. Thirdly, the company develops the innovative rewards ideas by identifying where the company is currently and where it plans on going.

Managers must make an assessment of the current rewards program in order to determine how much change is necessary, but whatever changes are deemed necessary should have positive impact on the alternative rewards. Once the changes have been made, management can now develop an implementation plan because people adopt to changes differently. The implementation plan should contain modes of communicating these changes, as well as administrative changes and budget estimates of the different innovative benefits. The new rewards system can be implemented, for this the administration and communication elements should be integrated. The delivery of the rewards system should allow employees to engage in the process of change. Finally, the new strategy should be measured and managed to ensure the company accomplishes what it set out to achieve. The consistent monitoring of the new system will ensure the intended outcome of the strategy is both cost effective and value oriented.

- Recommend a process that optimizes an employee-based suggestion program to continually refresh the total rewards of the organization.

A company's bottom line and employee motivation can be drastically improved with the simple implementation of an employee suggestion

program that keeps refreshing the innovative rewards system. Depending on your organizational culture and size, managers may launch a well-structured suggestion program that is implemented into the organization goals. Or it could simply be having brainstorming sessions at various meetings, or ask employees to generate ideas about certain topics. Finally, companies could also set a particular day monthly to have a company event and use this forum to ask employees to submit ideas, or companies could also ask managers to bring few employee ideas to executive meetings.

It is best to implement a simple employee suggestion program that has clear guidelines, which should be communicated publicly stating the goals the company is trying to accomplish.

- The guidelines should state which topics will be acceptable for suggestion. These suggestions will lead to the improvement of the company in areas of quality, cost effectiveness, productivity, enhancing morale, and improving employee motivation among many other suitable topics. Suggestions should have details such as the reason for the idea and how it will impact the organization.
- Someone should monitor the employee suggestion program, preferably a supervisor or administrator who must ensure the guidelines for the programs are being followed, and the aim of the program is accomplished.
- A manager must be in charge of the suggestion program, who will be a part of the evaluation team. A manager generally gives an air of dominance and power to engender change, and this give credibility to the program and allows employees who gives their ideas to have a feeling of importance as they are a part of the development of the company.

Every employee have ideas as to how they believe the organization they work for can improve overall. Implementing a unique employee suggestion program will capture these ideas, and at the same time drive employee engagement. The suggestions from staff will allow managers to identify cost effective ideas and also improve the company bottom line, and foster a workforce that is motivated and enthusiastic.

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