

Executive vs. non-executive pay

Business



Executive Vs. Non-Executive Pay Executive vs. Non-executive pay In each organization there is executive and non executive pay. In an organization, executive is group of people given the responsibility of management. They are also known as the managers or directors. Their main role is to direct activities and to ensure company's goals and objectives are fulfilled.

Executive pay is directed in respect of the guidelines laid down by the board of directors while non executive pay is done in without the respect of any regulation.

There are differenced between executive and non executive pay. In executive pay the payment of work is done in respect of guidelines set by a body in an organization such as the board of directors. Average pay is made from chief executives to the low ranking managers. In the other hand, non-executive pay is a payment done due to management of department or regions where executive works in smaller companies (Martocchio, 2011). The companies which provide non executive pay do not comprise any governing body or board.

Compensation is one of the disparity that grows in this line of executives as they are paid differently but performing the little task as compared to the employees. Management differences and organization plan in an organization determines employees payments. Chief executives in some companies tend to do a lot of work than others and earning more (Martocchio, 2011). Executives determine the success of failure of an organization because since they plan for every task undertaken including the payment. Good management is determined by the level of knowledge and experience with the managers.

Reference

<https://assignbuster.com/executive-vs-non-executive-pay/>

Martocchio, J. J. (2011) Strategic compensation: A human resource management approach (6th Edition). Upper Saddle River, NJ: Prentice Hall.