

Pay decisions at performance sports essay sample

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In human resource departments of several companies worldwide, employees and workers are the main assets. This should always be true since a company cannot succeed without its people. It is thus a factor that all employees are satisfied by the way they are treated by the management. This is the question that Perkin faces in her company. She has to decide on what method is best for her employees' satisfaction. She resorts to pay-for-performance (P4P). This method is good and reliable. Also, it is not biased. Nevertheless, Perkin still has to find a way to maintain her company's stability. Thus, it is suggested that she not only implement P4P but also implement a quota for her employees where if they are performing badly, they will be fined.

Review and Analysis of the Case

Purchasing Agent

Perkin is now faced with a dilemma regarding her employees and the new position she is planning to create (Bohlander, 2007, p. 430). The position of purchasing agent should be considered critically. First, she has to think about the coverage and responsibilities of the agent. Will the agent also be responsible for the purchasing of tennis equipment which Perkin is planning to include on her products' list (Bohlander, 2007, p. 430)? Will the agent only supervise the purchasing or does he have to do it personally, meaning he will be the one purchasing the equipment and negotiating for a price? Second, Perkin wanted the agent to have experience on the said work description (Bohlander, 2007, p. 430). This means that she demands much from the agent. If so, then she should be willing to pay the worker with a reasonable

wage. Lastly, but the most limiting of all, Perkin has to take into consideration the company's condition. Factors such as the company's stability, profit and development should be analyzed. She has to ask herself, " Does she really need this agent in her company? Can her company's present condition afford to have the purchasing agent? These are just some of the plans Perkin has to work on regarding Performance Sports.

Pay-for-Performance (P4P)

Perkin is taking into account the idea of P4P for Performance Sports (Bohlander, 2007, p. 430). But what actually are the advantages and disadvantages of this policy? P4P is a good policy for sales departments. The manager pays an employee more if the person puts in more sales. On the good side, the employees will be motivated to perform well; thus, increasing the sales. They will become competitive. On the bad side, the company may be spending much for compensations; thus, leading to bankruptcy. The stability of the company will be compromised. And profit will be lost since the money coming in will only be spent on paying employees.

Recommendations

It is recommended that Perkin pursue the P4P policy in her company's customer service representatives. In addition, the company can also give incentives to top performing employees. By doing so, the employees will become globally competitive. However, she should also include a quota for each suggesting that if they do not perform satisfactorily, they will be fined. Some plausible fines are withholding wages and cutting allowances. Nevertheless, in order to be fair, Perkin should have a warning strategy such <https://assignbuster.com/pay-decisions-at-performance-sports-essay-sample/>

that an employee performing badly can be warned thrice before applying the fines. This will not only encourage the employees but also have a sense of a standard high quality service that they have to meet. For the company, on the other hand, the stability will be monitored since all employees are striving to have a good pay. Although additional payments are given to employees, fines are generated to those who perform badly, therefore, adjusting the profits and spending of the company.

Summary and Conclusion

Performance Sports is on a make or break situation. Decisions and recommendations should then be taken seriously. The purchasing agent position should first be analyzed based on the company's growth and resources. The P4P policy can be implemented but on certain conditions and additional policies such as fines for bad performance. By incorporating all these details, Perkin meets the company's requirements for expansion and at the same time, satisfying her employees.

References

Bohlander, G., & Snell, S. (2007). *Managing Human Resources, 14th Ed.* Mason, USA: Thomson South-Western.