

Compensation and benefits report examples

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



Compensation and Benefits

The concept of an organization tying the performance of its employees to the organizational goals is a strategy that is increasingly being adopted by many organizations. Using this strategy, a company attaches benefits to employees when they achieve a given performance level meet the company's targets at a given time. These benefits to employees could be in form of monetary units, shares in the company or at times promotions and other benefits. This is aimed at helping the company realize its goals as well as making the employees happy and hardworking. The concept also involves compensating employees for the extra time they put into working for the company or any expenses they incur when carrying out any duties or transactions that belong to the company. This strategy is increasingly being adopted by many companies worldwide because of its success levels. It is proven that employees work harder and more effectively when the work they do is attached to some form of benefits, or when their efforts are compensated by the employer. It is a show of appreciation for their work as well as an encouragement and incentive for the employees to work and attain the company's targets.

The organization can measure the performance levels of individual or group levels in different ways. This will be up to the organization's management to decide which the most appropriate method to use is. The first method they can use is to compare the amount of work done by an employee against other employees. This method would be helpful in determining the most hardworking employees in an organization. The method is easy because it

only involves checking the performance of all employees then selecting the most efficient from the group.

Alternatively, the group or individual performance can be measured by comparing the achievements of an employee or group against goals of the organization. It could be the sales of an employee against the target sales of the organization. This type of measurement is very effective because it assesses the efficiency of an employee or group on the basis of their performance and ability; hence, it reflects the productivity and commitment of the employees. Another type of measurement of performance is the measurement of the employee's performance in relation to what they earn. However, this method is not effective and is not used by most managers when assessing employee or group performance levels.

Individual performance recognition is only more advantageous than group recognition because it will help in making each individual work hard to achieve the recognition. It is efficient in the marketing and sales areas where every individual's efforts contribute to the success of the whole group. However, there are several disadvantages of using individual performance recognition rather than the group level. First, it is against the ethics of teamwork and group cooperation. Recognizing a few individuals in a group of many employees will demoralize other employees hence affecting the performance of the organization. Individual recognition also leads to divisions and conflict of interest within a group of employees. Once the individual recognition approach is used, the interests of the organization will

no longer take center stage; employees will start pursuing personal goals which will affect the company's performance levels.

An organization can link group or individual monetary rewards to the organization's success in different ways. The organization can agree to pay employees a low basic salary then attach attractive bonuses to every target achieved by an employee or group. This will encourage the employees to strive to achieve the company's goals in order to earn more bonuses.

Another option is the organization setting up a system where it sets the goals for employees then assesses employee performance after a given period. The management rewards those employees or groups which achieved or surpassed the company's goals. This approach is the most popularly used to reward employees. Finally, the organization can form a policy whereby it sets some goals for the employees. The employees will then have to do their work as usual. Those to achieve the set goals will be given a predetermined percentage of what they worked for. This can include company shares, profits or commission. The linking of monetary rewards to the success of the organization is important in bringing out the productivity and commitment in employees in an organization.

The linking of employee benefits to the success of a company should be evaluated, implemented and monitored as closely as possible by the company's management. The implementation process should first involve all employees. All employees should be given the opportunity to achieve the goals of the company. The rewards should be given in a way that it will not affect teamwork and cause conflict of interest in the organization. The

program should also be closely monitored to ensure that employees do not veer off the mission and vision of the company as well as using unfair means to gain recognition. The evaluation of the employees' performance should also be done in a transparent manner to avoid some of the management personnel favoring some employees. The best way of doing this is to hire an independent human resource body that would oversee the implementation, evaluation and monitoring of the program to avoid interference or bias from within the company.

References

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