

Compensation and benefits support

Business, Human Resources



No: Describe the ways that Compensation and Benefits support the strategic goals of an organization and how you as an HRM can shape this program to meet the organizational goals.

Compensation and Benefits

How can an organization dream of progression without compensation and monetary benefits to their employees? Plan that relates to employees compensation, devised by HRM determines the pay and perks of an employee. The plan in question contains number of measures for the employee's benefits, which include salary, increments, cash performance award and promotion in the next higher grade. The successful implementation of compensation plan would be instrumental in encouraging the employees that enable the organization to compete with other major market players (Balkin & Gomez-Mejia 157).

Competent Resource

The strategic compensation plan of an organization certainly plays an important role to woo competent resource. Competitive price tags will attract experienced employees to come and join the organization. Hence, employees having better qualification and experience can be of great help in meeting the set revenue targets besides establishing the credibility of the organization in the market (Balkin & Gomez-Mejia 157).

Pay for Performance

The strategic compensation plan for employees should be based on pay for performance. How can be a visionary and non-visionary person treated alike? As far as the sales employees are concerned, they should be given commission on their total sales. Reward system in an organization is a

source of motivation for the employees to pursue their goals. Thinking of hard working by the employees without hoping for a reward is very difficult (Balkin & Gomez-Mejia 158).

Employee Retention

Retention of valuable resource amounts a hard nut to crack if it is not supported by the monetary benefits. There is an adage that “ happy laborers work more”. To keep employees of repute for a longer period of time, it is utmost important for HRM to compensate them through increase in salary, promotion and cash performance reward so that they may not jump into other companies for better career prospects. If aforementioned measures are implemented in letter and in spirit, experienced workforce will think twice before going out in searching of another job opportunity (Armstrong 72).

Perks and Benefits

Competitive compensation and benefits are the key elements to attract the best talent available in the job market. Further, organizations that offer insurance covered health policy and guaranteed paid vacation are the hotcakes for the lucrative job hunters. It should be the focal point of HRM of any corporate entity in their compensation policy. Mentioned benefits should be linked with the increased profitability of the company and the performance of the employees as well (Balkin & Gomez-Mejia 160).

Compensation

The task of Human resource management (HRM) of reputable organization is to plan, implement, manage recruitment, select right person for the right job, learning, career, organizational development activities within the ambit of

the organization. It has to maximize the productivity of the organization by achieving mentioned goals. Moreover, HRM has to put in concrete efforts to promote personal development, employee's satisfaction and to ensure compliance of employee and employer relationship laws of the land (Armstrong 75).

We have discussed compensation threadbare in the earlier paragraphs. Sequentially, it is the third option of HRM to ensure payment of incentives to its employees who deserve them. The HRM specifically focuses on the development of remunerative system that accomplishes set organizational goals/objectives meant for employees e. g. retention, quality, satisfaction and motivation. The aims of doing such things by HRM are nothing, but to help organization in its endeavor to improve their market share of business. Apart from the said perks, financial compensation and fringe benefits are utmost important for the employees. The HRM should draw an effective reward policy to meet the demands of productive head counts in recognition of its employee's qualitative work (Armstrong 81).

Works Cited

Armstrong, Michael. A handbook of human resource management practice. Kogan Page Limited, 2003.

Balkin, David B., and Gomez-Mejia, Luis R. " Matching compensation and organizational strategies." Strategic management journal 11. 2 (1990): 153-169.