

The impact of reward and compensation



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Employee benefits and compensation programs include, retirement plans, vacations, life insurance, bonuses, half-day leave, appreciation and motivation etc.

Compensation is basically a payment against any loss of employee due to the organization for example people working with heavy machineries, often get wounds and sometimes more severe accident disables their body parts in such a situation the firm is responsible to take care of the affected person. Benefits on the other hand are something different but plays vital role in employee motivation and increasing performance. Human psyche is made up in such a way that it demands appreciation, rewards and benefits. No matter you are students or an employee, appreciation and benefits are your rights.

(Carter McNamara, n. d) Every business requires motivated employees, because they produce better results and work more efficiently. Rewards and benefits affects positively not only on employees but also organizations as well. How effectively it do so is a challenge for employers and HRM managers.

Rewards and compensation plays a vital role in employee's performance; how they do so is the point to focus on for recruiters here we will take a concise look on some of them: ? Rewards and benefits should be given creatively: It is obvious that rewards and benefits work positively in improving employee efficiency. Providing benefits can be of different forms. It can be increasing salary, bonuses or appreciation verbally. If all these work out then they should be applied continually. A more result-oriented impact

will be observed if these rewards are fairly given. Naturally if employees are satisfied and are appreciated for their results they will work at a competent level to achieve the reward again and again, hence the productivity will be at heights and the organization is benefited as well (Michelle Collins, n.

d). ? Giving the reward differently: There can be degrees to motivation. A better understanding of what actually an employee needs impacts more effectively. It's not necessary that an employee be always rewarded with money. But sometimes especially in case of small firms giving monetary rewards is not possible always. In such a case cutting down the factor of rewarding completely can have bad impact on employee performance therefore there can be different ways which do not always include money but other ways.

Offering a day off monthly or vacations in the mid of year, or even a few words of kindness and appreciation works a lot. (Michelle Collins, n. d) (Reilly P, 1996) Considering all the points discussed above, HRM is found to be based on such ideas and tools required to motivate employees, their productivity and efficiency. The main aim of HRM is to maintain working environment solve employee problems; keep performance records in order to give rewards and to study its impact on organization and employees.

Conclusion: HRM is the backbone of an organization since it is responsible for a number of key factor but not to forget that employees are the soul of this body whose backbone is HRM. An organization runs with teamwork, and the team needs appreciation, rewards, and motivation to work perfectly.

In this paper we discuss firstly the concept and role of HRM and then one of its responsibilities i. e. rewarding employees and its impact in more detail.

Rewarding employees resulted in greater efficiency, which in turn maximize profit and ultimately benefits the organization on the whole.

Therefore we can conclude that understanding the basic human psyche, which requires appreciation, rewards and benefits against the handwork and effort he/she puts in works a lot in taking the business to reach heights!!

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