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Executive summary The development of a reward scheme is integral to the success of human resource management. The article discusses the issues of motivation by evaluating the various reward strategies employed in organizations. Most reward strategies are based on individual performance which affects group cohesion. Group cohesiveness ensures the development of better methods because of the increased cohesiveness. Group cohesion is termed as the total field of forces making members of a group to remain within the group. The work environment is vital in developing a reward strategy and encouraging motivation within the group. Environment influence can be classified into two main parts namely the employee welfare environment and the organization environment which can be further evaluated based on the nature of the product. Employee’s welfare will influence motivation and interfere with the success of the marketing process. Consequently, motivation of employees is a vital aspect of the management system, which must be integrated through participation and total reward system. Reward system encourages the development of group cohesiveness if the incentive in based on rewarding team performance or individual performance when targeting individual reward (Jiang, Xiao and Qi 178). The creation of appreciation in management is paramount, other methods have been tried, but the success of the rate programs cannot be compared to the use of rewards. The transparency of the policy of reward can improve the success. The cost policy measurement of the program is easily evaluated and measured. Compensation scheme The system of compensation is vital in the development of the necessary motivation. The success of the company depends on the ability to motivate and cater for the welfare of the employees. Throughout the years, companies have struggled to develop compensation systems that cover the various issues of the employees and encourage fairness and transparency. Compensation and reward strategies ensure that individual and group performance is catered for in the process. However, merit pay has been used to develop the standard payment structure that is common and applicable to all the employees. Merit pay is as described as pay for performance based on the results set on a standard operative module. It is an approach to compensation that rewards well performing employee. It focuses on offering additional pay for the best performing employees. Merit Pay Despite the challenges, the merit pay system has several advantages. First, it enables the employer to differentiate between high and low performers in the company. Unlike the profit sharing or bonus pay schemes, it allows the employer to differentiate between performances of employees. While there are several programs and schemes are developed to reward overall performance of employees, merit pay offers compensation for strong performers. Merit pay allows the employer to recognize individual performance once meaning to continue benefiting from the scheme the employee must be able to continue the performing perfectly. Despite the numerous advantages of the scheme, it has been found that it does not offer a better support mechanism to the employees and the employer. The failure to address the essential issues that may affect performance both the group and individual makes the scheme non-effective. The scheme lacks accuracy affecting its ability to differentiate the ability of the individual employees. The success of the scheme has been reduced by the increasing dynamism in human behavior and factors that affect performance. The merit pay structure is different and creates a serious challenge in managing workers. The use of the total reward system has taken over the development of compensation structures. The total reward scheme is a program developed, by employers, to attract, motivate, and retain employees. The main focus of the program is to include everything the employee perceives to be value resulting from the employment relationships. The concept has been advanced tremendously through evaluation and restructuring of the process of rewarding employees. Conclusion The development of the total reward scheme has helped shape the human resource development and welfare department by addressing then vital issues of motivation and employee welfare. The development of the various system of compensation has been marked with challenges except when developed from a set structure that covers all the issues affecting the organization. Merit system was applied in the education sector and could not work effectively because it developed a serious challenge on the issues of performance evaluation. The challenge led to serious problems in the implementation phase which later led to its abolishment. In conclusion, communication in the company is vital because of the various reasons. Communication facilitates the development process, and the reasons of promotion and wage level setting. The success of the total reward scheme will depend on the various factors including the management design of the process. The inclusion of all the factors that affect motivation and employee welfare will ensure that the total reward scheme is perfect. Works Cited Jiang, Zhou, et al. " Total Reward Strategy: A Human Resources Management Strategy Going with the Trend of the Times." International Journal of Business and Management (2009): 175-180.