

Development of appraisal and reward system



Reward system is an instilled component of the personality of every man; he is a tripartite being with a spirit living in a body, and a soul. He thinks, feels, decides and acts. These are the elements of human interaction either at home or in any other organization. This system has long been proven by brain biologist and psychologists to be of paramount use in the development of a responsible and effective. This is further confirmed by the nature of outputs produced by organizations that have harnessed this for industrial use [Wilson, 2003].

The recognition of intuitive input to the productivity of an organization, and the subsequent reward of such has indeed advanced the course of man at all levels of human administration. Really, its importance can not be overemphasized in this age of competitive business market. There are specific and pragmatic ways of establishing this amiable system into the company's mainstream activity; this is the main focus of this article.

IMPORTANCE OF APPRAISAL AND AWARD SYSTEM This is a ' global age'; an age where the large world is shirked into a small global village.

Innovations are emerging daily. Alls spheres of human endeavor are advancing at millennial speed. In this age, there is intense search for talents and skills that can maintain such developments or excellence, and also even work on them to produce better. This has created keen competition in the labor market, and every company knows the value of its high-output workers, and would never want to loose them. It is this that has made performance and character based appraisal and reward system more important to the survival of any enterprise than ever before in the history of man.

Every one wants the best. The search for the best leaves no space for inefficiency, as the best must be delivered by employees. Companies have also inculcated diversity into their mission statement to accommodate enough space for this search for the best, and retaining those who have also proven to be of optimum impact to the activities of the organization. The concept of diversity has thrown appraisal and reward into a bigger landscape for employees ready to give their best to their chosen area of influence at work.

In this case, the impact of encouraging an effort geared in this direction is of utmost importance and can not be overlooked. Leading organization in any known industry, and even new inclusions understand the place of recognizing and awarding ingenuity by company employees targeted at improving customer patronage or better service delivery. Great managers and leaders do acknowledge that humans can deliver beyond their present status if only they are encouraged by a credible means. A child who receives encouragement at home from his parents usually performs better than one that does not enjoy such privilege.

It is an inherent need of man, that his potential can be better harnessed with tangibly significant appreciation. In the presence of a credible and fair reward system, employees have a basic encouragement to deliver their best to the Company, in their capacity. They can afford to stretch themselves with their elastic limit to meet deadlines, increase effectiveness and productivity, deliver more efficient and customer-friendly service because there would be a reward for their labor. This leads to increased productivity for the Company.

This productivity is relative to the Company product. Even religious organizations understand this as they promise more blessings for obedient servants. This system, if properly put in place, heightens sense of responsibility of the employee and creates a 'working bond' that may not be easy to break. With a fair plan, there is increased interest in Company acts, mission, plans and goals. This created a better working environment for them, and there is increased trust and more fruitful human relationships in the Company. DEVELOPMENT OF THE SYSTEM

A system that recognizes human inputs and quality ideas directed at optimal productivity, improved working environment and human relations, confidence and profitability of a company, and significantly rewards such via credible and fair techniques is referred to as an appraisal and reward system; its effectiveness is enhanced as all participants, employees and managers, understand its purpose and are poised to make useful contribution towards achieving the set goals. A good plan is based on a combination of performance and character [John Bill].

Its development involves steps outlined below: DEFINITION OF PURPOSE It is important to start with a well-defined purpose. Purpose of the system is clearly outlined from the outset. This is seen to be consistent with the Mission statement of the Company in writing and principle; it is communicated to employees and is also broken into smaller units called Goals. It is in bringing such purpose down into those achievable units that they show pragmatism and spur workers to work [Gallup]. COMPANY INTERACTIONS/COMMUNICATION

This involves a forum through which such system is communicated to participants in clear and understandable terms. Suggestions and quality ideas are welcomed on the plan and execution of the plan. This also affords an opportunity to for skill acquisition and training geared at achieving the Purpose. Really, this is inevitable to the survival of the program Communication should not be a once-and-for-all thing; it need be continuous. In this way and at any point in the course of organization's work, there is a location, personality or unit constantly refreshing people's mind about the program.

This keeps the spirit alive. **GOALS** This should be SMART: Stipulated and Stimulating, Measurable, Achievable, Realistic and Time-bound. With effective communication, employees understand and can work toward them. With those criteria, goals are closer to the heart and easier to handle at work. It is important to combine an insightful technique in drawing such goals; this is easier when everybody- all participants are part of the decision making. **IMPLEMENTATION STRUCTURE** This is the most important of all.

If purpose is then and goals are made with effective communication and there is no CREDIBLE AND FAIR structure to implement the plans, then the result can be easily guessed: there would be result at all. Therefore, it is important for the structure to be credible and fair in such a way that the criteria for adjudging performance is well-stipulated and combine quantitative and qualitative means. No element of subjectivity should be seen because this is the major worry of employees. If there is no open and transparent objectivity in the implementation, the program would fail.

This structure is vital to the success of the program; it could be created as another committee entirely or a unit per session [ups] that would oversee the activities of workers at different levels. It would also be interested in accurately informing unit members about the nature, category and content of reward. This would remove the excuse of inaccurate information and promote trust in the system. CATEGORISATION It is important for a categorization of the Purpose and goals into specific 'committee' or section where people of different work experience and exposure status can accurately fit in.

This is to ensure that there is space for everyone, and a chance to be recognized as diligent. No one should be left out. Company products can also be categorized, with respectively competent employee. This is to ensure equal distribution of work based on talent, skills, and company's expectation. REWARDS There should be a stated method of rewards and it should be both significant and tangible. Announcement is not enough reward. Such tools that can be employed include by compensation, awards or increase in base line salary.

The latter is widely appraised, and is best effective when the incentive is about 25% of the baseline pay. Such should also be done with a short period of time. REVIEW It is important to review the activities of program, its impact on the organization and its vivid dividends at regular intervals. This would sustain and strength awareness of and confidence in the program. CONCLUSION All companies need a n appraisal and reward system, as ways of maximizing their workers input. This system affects all aspects of an organization.

It is inevitable in this global and highly competitive age. Such can be established with defined purpose broken into goals, communicated to all participants under a credible and fair structure which is regularly reviewed for productivity. Good companies retain best workers, and attract others by such means. It is no loss to any business at all. BIBLIOGRAPHY Wilson, Thomas. Innovative Reward systems for the changing workplace John, Bill: Reward and Appraisal. [http://www. accaglobal. com/students/study_exams/qualifications/acca_choose/acca/fundamentals/ ab/technical_articles/2944835](http://www.accaglobal.com/students/study_exams/qualifications/acca_choose/acca/fundamentals/ab/technical_articles/2944835)

Performance Based Reward system Accessed from [www. performance- appraisal. com/rewards. htm](http://www.performance-appraisal.com/rewards.htm) Performance Reward and Compensation. Accessed from [http://www. gallupconsulting. com/content/? ci= 58](http://www.gallupconsulting.com/content/?ci=58) Performance and Reward Accessed from Peter Scott [www. peterscottconsult. co. uk/briefings/yourpartnerrewardssystem. doc](http://www.peterscottconsult.co.uk/briefings/yourpartnerrewardssystem.doc) Effective performance appraisal system. Accessed from [www. allacademic. com/meta/p154789_index. html](http://www.allacademic.com/meta/p154789_index.html) Effective Employee development Program [http://www. maritz. com/employee_recognition_awards. html](http://www.maritz.com/employee_recognition_awards.html)