

Reward system administration essay sample



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The effective administration of reward policies depends on setting up appropriate procedures, ensuring that line managers and personnel specialist work effectively in managing them, monitoring policy implementation, and carrying out regular audits to ensure that the policies are working well and giving value for money (Armstrong, 2002). The success of a compensation plan lies in its credibility and how enterprise and hospitality industry changes and grows (Tanke, 2000).

In any case, if similar system is developed, feedbacks from the actors about the reward system are always advisable since this can probably minimize future conflicts; Employees have to be fully informed through specific events or written communication (Chellandurai, 2006). Based on Chellandurai there are nine key strategic issues for designing a reward system; managers responsible for the design of the reward system should be confronted with the following questions: what is the basis for the reward (job-based or skilled-based pay system)?; what is the pay for performance?; What is the market position (what is usually done in other organizations in the same market)?; Is the orientation internal or external (related to question or equity)?; is the system centralized (only one pay system in an organization or multiple pay systems with different forms of administration)?; what is the degree of hierarchy (egalitarian versus hierarchic pay system)?; what is the reward mix (which combination or range of benefits is provided)?; how are process issues addressed (communication on the pay system and decision making)?; and lastly, what is the general reward system congruence (consistency between all the elements)?

It is not difficult to understand why reward systems are among the most sensitive organizational issues, with a long history of conflicts (Chellandurai, 2006). According to Chellandurai, to reduce conflict between employees and employers in sport organizations (mostly professional), different ways to regulate a pay system have been identified such as collective contracts, gentlemen's agreement and continuous consultations, and salary caps.

References

Armstrong, M. (2002). *Employee Reward* . New York: CIPD Publishing.

Chellandurai, P. (2006). *Human Resource Management in Olympic Sport Organizations* . New York: Human Kinetics.

Tanke, M. L. (2000). *Human Resources Management for the Hospitality Industry* . New York: Thomson Delmar Learning.