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**Pay Structure, Benefits and Rewards**

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## **Pay Structure, Benefits and Rewards**

Employees play a critical role in every organization. Therefore, organizations and other manufacturing companies need to up their game to create products that consumers want with the current evolving and changing market. Similarly, to ensure this, the human resource department will need to keep and maintain their workers happy by inspiring them. However, the current working environment makes the human resource department struggle to ensure their employees are motivated and stay working in the organization for long and efficiently. Nevertheless, several factors are always vital in keeping the employees motivated in the company; this includes the pay structure, paybacks and appreciation of doing great work. In this organization, Business A is established earlier and thus, it is flexible and at the same time offers products that are competitive in the market as well as uses less technology which is subjected to few changes. On the other hand, Business B is new and uses new technology to produce its products; however, it is highly controlled by the Federal Government. Therefore, this paper will provide recommendations on pay structures, paybacks, and appreciation for employees in keeping the two businesses operating efficiently and easily.

### **Pay Structure**

Organizations provide employees with different payments based on different roles and experiences in the exhibit. However, all employees need to be treated well because it enhances their work relationships. Therefore, human resource managers must develop a proper pay structure. For example, Noe et al. (2017) defined pay structure as the comparative pay of various works and how much the jobs are paid. Similarly, the same source added that the pay system has an essential role in executing strategies in the organization. For instance, the greatest level of pay and paybacks relative to competitors can guarantee that the organization entices and retains high-quality workers. Nonetheless, this might result in adverse effects on the organization's general labor expenses.

Moreover, when the organization tries to pay based on performance, they can prompt explicit events and stages of performance from workers. Therefore, regardless of whether the organizations are unionized or not, the method by which they pay their workers can significantly disturb their chance of getting a competitive advantage (Noe et al., 2017). Unit A business is already an established business and thus, it focuses on manufacturing products that are

competitive in the market. The business unit does not use much technology and is thus subjected to few changes. Therefore, This indicates that the employees in this unit are extremely skilled and have been working with the company for a long. Also, the unit has had little to no variations in technology for years, and employees are not concerned with leaving the organization soon. The best pay structure to be used is broadband. Broadbanding pay structure combines several grades in the traditional salary group in limited higher salary groups (Wright, 2016). Therefore, the groups will have broader choice spreads. More midpoint differences and reduced overlap. Broadbanding structure is critical in this unit because it stresses career development that promotion at work. After all, pay structures are developed to explain future career and reimbursement growth chances for workers. Also, another benefit for this play structure is the decrease in the need for precise skills. Broadbanding values workers that increase their skills and capabilities since the grades are broad, allowing more movement.

On the other hand, Business unit B is a starting business in the organization. Therefore, this unit comprises cutting-edge technologies and skilled employees. These employees are mostly recent graduates because they are experts in the new technologies and are updated on the federal administration guidelines. Besides, since the unit provides an opportunity for employees to grow, they will need promotions; thus pay grade pay structure will be the most appropriate in this unit. Noe et al. (2017) stated that the pay grade method assembles jobs into a small number of pay programs or ranges. This structure is explained by the stage of the responsibilities done in the work description of the job, the authority exercised as well as the time used by the worker to do the assigned work.

Pay grade structure offers an outline for reimbursement by explaining the amount of pay in every phase of the employment procedure. Consequently, the structure will take the position of the pay negotiation. Unit B is an upcoming business and the products are likely to struggle with the highly competitive market; having a proper pay structure such as the pay grade will help in inspiring the employee's motivation and moods of flexibility. The gap between the pay stages inspires workers to achieve their success and rewards will be growing when they perform their work regardless of working on the same roles (Noe et al., 2017). the business benefits because it is not likely for each worker to get promoted, an adjacent change or a change to a varying internal work with increased roles and accountability to begin shifting to another stage of

payment along with the pay grade. Unit B is new; therefore, as the human resource manager, it is essential to create the job grades based on work assessment data and market information to create job levels. The payment will be based on how the management team wants to position the business in the market, making the workgroups based on the same market pay, which forms one pay grade.

### **Benefits**

Employee benefits are essential for maintaining them. Noe et al. (2017) claimed that benefits appear to affect potential workers from attending to work for the organization and remain there until they retire. Also, the performance of the employees is what matters a lot in the company; thus through proper benefit strategy used by the organization will determine a lot of things. Moreover, although many organizations consider benefits as an element of compensation, they always have an exceptional concept because of the legal compliance issue. Similarly, direct payback is under the government guidelines; thus, the scope and effects of that is high, but the law controls other benefits such as social security

I would recommend providing social security benefits, unemployment insurance, and employee reimbursement in both business units. Noe et al. (2017) stated that social security benefits are provided to qualified retirees and disabled individuals as well as to their partners, kids and survivors. Since the federal government controls social security benefits, the social security act got signed into law in 1935 by president Franklin Roosevelt as indicated by Pennings (2018). Therefore, they will need to pay the social security program when they are working and attain forty credits to qualify for an employee to receive the benefits. Furthermore, the number of benefits that they will get will come according to past payments, their birthday year, and age when they ask for the benefit.

Employee compensation laws deal with work-associated injuries. When employees are at work, especially when handling machinery, they may get accidents while working, resulting in injuries or even death. Consequently, as an organization, all workers will have employee compensation benefits to aid in safeguarding the business and the workers from monetary loss when they get wounded while on duty or become ill on job-related reasons. Employee

compensation will assist with therapeutic costs, lost salaries, and other costs such as that required for care support (Noe et al., 2017). Moreover, unemployment insurance is also provided by the nation that recompenses out when workers have lost their work and happen to fulfill certain entitlement necessities.

Also, other benefits that all the two business units will offer to employees are private medical and disability insurance. The majority of the employees consider medical costs to be the most challenging and expensive in their life. Therefore, providing them with this benefit will help them momentarily. Moreover, as an organization, there is a need to consider the best companies to work with to keep the cost down and maintain the business's operations. Private group insurance rates are usually less than the personal rates because of the capacity to reduce dangers, economies of scale and increased bargaining power (Noe et al., 2017). The organization's medical insurance will comprise the preferred provider organization plan. This is because it comprises several healthcare organizations contracted to deliver health care at a decreased cost.

Disability insurance will offer payment in the occurrence of an incident that will make the employee unable to handle their duties and responsibilities. This will mean that the workers will not have to get a paycheck because of the disability. Although the program is not needed by law, it is essential as an organization to offer it for the benefit of the employees. Valuing employees is a very critical aspect because it will help in improving their self-esteem. Other important benefits considered to be offered by the two business units in future comprises of wellness program to ensure they live a healthy life, remote work options, especially when all technologies are enhanced to permit that as well as overtime and performance bonuses.

Moreover, in Unit, A defined contribution retirement plan will be provided because the business is well established and comprises older employees who have worked for many years in the organization. A defined contribution retirement benefit plan is vital. It is provided to older workers who have worked in the company for a long time and are certain of a precise contribution when they retire (Stoltzfus, 2016). Business unit B will have a benefit plan which will require employees to pay a certain percentage of their salary.

### **Recognition**

The majority of the employees work wholeheartedly for the success of the organization. However, they may end up unrecognized, which can make them lose morale. Employees need to be recognized for the good work they do. Grawitch & Ballard (2016) defined employee recognition as the public acknowledgment and praise of worker behavior or success. The company utilizes recognition to express gratitude, inspire workers and emphasize positive behavior. Besides, employee recognition is part of the driver to staff engagement. Different managers use various methods to recognize their employees; therefore, it is not mandatory through money. Just a simple thank you word indicates appreciation and that the manager recognizes the employee's effort.

The two business units will use the same recognition strategies. The recommended recognition strategies comprise completing the project, provide bonuses to employees that have a valuable contribution to the business, recognize the employees that have worked for long in the organization and creating a specific day for recognizing employees. The recognition day will help retain talent, enhance engagement, and inspire high performance (Andriotis, 2018). The work environment has a significant effect on employee performance; therefore, through proper recognition procedures from the managers, workers can be inspired positively to allow them to be innovative and productive based on the climate they are exposed in. Individuals that are appreciated usually experience increased self-worth and the capacity to participate in the organization decision making. Nevertheless, the recognition should always be detailed, appropriate and timely.

### **Additional Considerations**

Employees are driving force of any organization. Although the organization has invested a lot in their training, they need to be retained. Recruitment and retention consideration is recommended. Retention and recruitment procedures are always an issue in many organizations; however, in this case, the business will concentrate on five drivers to employee retention. The drivers comprise corporate culture, working as a team, workers' conversation and on-boarding (Antony, 2018). Informing employees on the benefits attained when working with the organization will help them assist in the business units' growth, which will retain them. Similarly, it is recommended that employees be provided with ownership and independence while at work by providing them with supple work timetables and remote working to motivate them.

Moreover, employees will be provided with a chance to express their issues to the organization. This will inspire them to work hard in the company because the employees concentrate on the work and their personal development. It is also recommended that the two business units associate together to provide a chance for the employees to know each other and share knowledge. Knowledge is very critical in the business operation; considering that the products have competitors, sharing knowledge between the two business units will help produce quality products with less cost, hence providing a competitive advantage to the company. Also, the interaction between different employee generations will help create a diverse workforce. Ozgen et al. (2017) claimed that diversity is critical in innovation because different experiences, viewpoints and backgrounds will be communicating together hence coming up with the best strategy. Another consideration is to involve the employees in the decision-making process. This will include the compensation decision-making. This will make them feel recognized and involved hence becoming committed to the business.

In summation, employees play a critical role in the success of an organization. Therefore, as human resource experts, it is vital to consider their work as crucial and provide them with the best reimbursement, benefits and recognition. Different businesses will require varying pay structures depending on their operations; based on business unit A, the company is already established and comprises employees experienced in their profession and have worked for long in the business. This makes them require a broadband pay structure because no promotions are needed but skills. The other unit is new and utilized sophisticated technology. This will require a pay grade structure because promotions will be needed.

Nevertheless, benefits are essential in all business units to enhance entreat and reduce throughput and increase self-esteem. Similarly, recognition is crucial in both business units because it will help in reinforcing values, inspiring efforts and presenting achievements. However, based on the recommendations, other important considerations comprise increasing the diversity of employees by allowing them to know each other and interact by sharing knowledge and skills and allowing them to participate in the decision-making process.

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