



# SNS College of Technology

## Coimbatore - 35



### 23BAE711–COMPENSATION AND REWARD SYSTEMS

#### UNIT I - INTRODUCTION

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**1<sup>st</sup> Indian  
Institution  
to Implement**

**Design  
Thinking  
Curriculum**

**Redesigning Common Mind and Business  
Towards Excellence**



# OBJECTIVES

## 1. Attracting competitive talent pool when hiring

- The salary package is critical in drawing skilled personnel to the business.
- This guarantees that the business gets to choose from a bigger pool of candidates and also helps develop a favorable image for the firm in the employment market.
- Professional development and progress possibilities.
- A favorable work environment.
- A decent work-life balance, and more.

# OBJECTIVES

## 2. Cost Control of payroll

- Compensation management helps control payroll expenses by ensuring that remuneration is based on market norms and that employees are compensated based on their abilities and experience.
- This may entail performing frequent market surveys and revising remuneration packages as needed.
- Cost control measures help guarantee that the company is not overpaying or underpaying employees. Detecting underpayment is also necessary as correcting it on time is way of cost control instead of waiting till voluntary attrition.

# OBJECTIVES

## 3. Ensuring pay fairness

- While cost control is necessary, you also need to ensure that employees are fairly paid for their efforts.
- This ensures that there's no discrimination based on gender, color, or other personal traits. Doing so fosters a healthy work atmosphere and decreases the likelihood of legal complications.
- You should also guarantee that its remuneration rules and procedures are open and non-discriminatory. That's why you need to evaluate your pay processes and frequently resolve discrepancies

# OBJECTIVES

## 4. Legal compliance

- Compliance with labor rules and regulations is vital for the company. And compensation management assures compliance with labor laws and regulations governing compensation and benefits.
- This helps to avoid legal complications and protects the organization from any litigation.
- It also helps ensure adherence to minimum wage rules, overtime restrictions, and other labor requirements concerning compensation and benefits.

# OBJECTIVES

## 5. Motivating sales employees

- Pay management may inspire employees by giving incentives, bonuses, and other benefits for outstanding performance. This can boost employee motivation, leading to higher productivity and better company results.
- Additionally, you should explore other methods of motivating personnel like:
- Offering chances for employee engagement.
- Participation in decision-making.
- Recognition programs.
- A good work atmosphere that fosters cooperation and collaboration.

# OBJECTIVES

## 6. Enhancing productivity

- We can use compensation management to increase productivity by tying sales compensation to performance and providing incentives for meeting organizational objectives. Some parts of the compensation, such as variable pay, are linked to sales performance reviews.
- This can assist in aligning employee behavior with business goals and boost productivity. We can also offer training and development programs to hone employee skills and knowledge.
- We need to ensure that your sales team has access to the resources and technology needed to do their tasks efficiently



# OBJECTIVES

## 7. Improving job satisfaction

- Pay management offers benefits like health insurance, retirement programs, and other perks contributing to employee well-being. This can boost staff morale, leading to higher productivity and better business results.
- You can also take measures to create a good work environment that appreciates employee feedback and fosters a work-life balance.

# OBJECTIVES

## 8. Retaining talent

- Retaining salespeople is just as crucial as recruiting them.
- This saves businesses time and money on recruiting and training expenditures.
- To keep workers, the organization should make them feel valued and respected. This involves offering frequent feedback, acknowledgment, and opportunity for progress.
- The firm should also guarantee that sales employees are adequately rewarded and that their pay packages are evaluated and altered regularly.

# ASSESSMENT

1. Compensation is reward to the employee for their ?

- a) Performance
- b) Work
- c) Contribution to organization
- d) Smartness

2. Which is not the objective of Compensation?

- a) To establish equity
- b) To Improve Employee Efficiency
- c) To Control Cost
- d) To Comply with illegal Regulation

# ASSESSMENT

3. Who is Responsible for compensation decision making?

- a) HR Unit & Manager
- b) Worker
- c) laymen
- d) BOD

4. Compensation can be \_\_\_\_\_ benefits.

- a) Monetary
- b) Non-monetary
- c) both 'a' and 'b'
- d) None of the above



# Reach Us



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*Thank  
you*