

Impact - Revamping Compensation and Benefits Program

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Introduction

In every organization Human Resource department is accountable for the hiring, compensating and retaining the employees by offering those benefits and compensations. The purpose of Human Resource Management is to evaluate, encourage and manage the performance of employees in the organization. For any organization employees are the most valuable assets which are involved in everyday operations of an organization (Hendry, 1995).

Role and Importance of Compensation and Benefits Package

In this scenario the new head of Human Resource department has to develop the benefits and compensation program and manage the team. The compensation and benefits package attracts, encourages, and retains the employees with right skills and abilities (Bartram, 2013). This is important because the competition and rivalries nowadays comprises of best quality of workforce for which HRM department is accountable. Therefore, the HRM department designs its hiring process and compensation program to employ, motivate, retain and evaluate the performance of employees for better performance to achieve the organizational goals.

Project Charter

A project charter involves the strategy and approach to achieve the objective of the organization. It begins with the idea, vision or an objective which is associated with the objective of the organization. It is a critical element of the project which defines what needs to be achieved

and how it is to be initiated. A project charter also defines the stakeholders of the organizations which are the members or the other organizations which are actively involved in the project.

Purpose

The purpose of project charter here is to design a program that expands and coordinate the benefits and compensation activities which support the Organization's mission, vision and goal. The compensation and benefit program of the organization aims to increase the performance and retention of the employees by creating the appropriate strategies (Bryant, 2013). With the expansion of the organization there is demand in the workforce and HRM is responsible to create the incentives for the satisfaction of employees to attract the new and retain the old ones. Therefore the benefits keep the employees stick to the organization or join the organization (Huselid, 1995).

Goal

The goal of this project charter is to create a sustainable, visible and consistently applicable benefit and compensation program where employees of the organization are engaged in;

- Comprehensive and supportive work environment.
- Encouraging high performance.
- Emphasizing on the contribution and participation by employees that support in achieving the organizational values and goals.

The Compensation and Benefit program of the organization is defined in the following diagram which encapsulates the employee satisfaction.

Total Compensation



Rewards

In the above program there are number of rewards and benefits apart from the basic salary. These rewards include:

- Bonus: It is in the form of financial incentive and an employee is eligible for the bonus if he exceeds his performance objective.
- Salary increases: The salary of an employee is increased if he continuously achieves its objective.
- Promotion: Promotion is decided after the performance evaluation of an employee on the semi-annual basis. The employee prevails if he is consistent performer of the organization and department (Bryant, 2013).

- Awards: There is an annual award program for the employees of the organization where the employees with more than one year are nominated to be awarded. This award is in the form of financial incentive where an employee is awarded two times of its salary.
- Recognition Program: In this program employees are allowed to give feedback and recommend any improvement regarding any policy or terms of organization. If it is implemented and beneficial for organization then the employee is recognized throughout the organization.

Benefits

In the designed program there are number of benefits. These benefits include;

- Health Plans: The health plan offered in this organization to employees is for the employees and their immediate family members where the employee is compensated with its healthcare expenditures equivalent to three times of its salary annually.
- Retirement Plans: Every month some amount of salary is being added in the retirement fund of an employee which is fixed by the employee itself. The minimum amount includes 8% of the employee salary to be funded in retirement plan and the organization will also contribute the same amount which at the time of retirement is compensated to the employee (Bryant, 2013).
- Vacation & Time Off: Employees who have passed their three months of probation period and are fixed employees are offered with a 30 days paid leaves annually.
- Paid training: The new employees are also paid during their training program which comes under their probation period. In this training program the employees are involved in on-the-job training.

Working Hours: The employees can compensate their remaining working hours on any one day of the week. If an employee is absent for particular reason then he can avail the paid leave if he wants to compensate its absence then he can compensate it by overtime or working on an off day to compensate working time of a day.

Scope of the Project

The compensation and the benefits program of an organization is linked with the other human resource activities including the performance management, reward and recognition and other related programs. The HR head accountable for the compensation and the benefits program of the organization has to analyze the data of payroll records of employees (Milkovich, 1999). The human resource department evaluates the performance of employees and then nominate them for the rewards, bonuses and pay-raise. In order to provide best benefits and compensation to the employees they are involved in analyzing the packages of their competitors. In response they design the compensation and benefits package to gain competitive edge over them to retain their employees which support the organizational objectives.

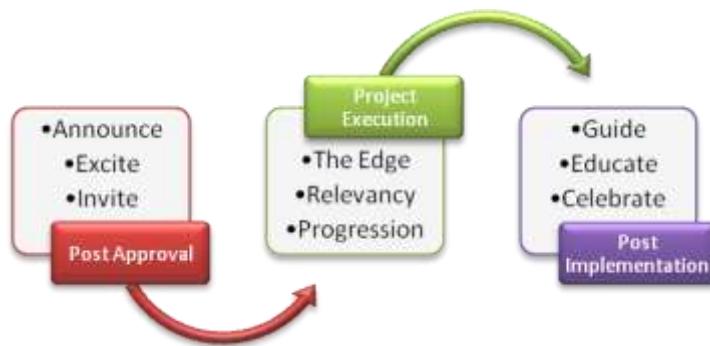
Communication Plan

When it comes for HR department to design the compensation and benefit program, it needs devotion and significant amount of time apart from the main activities for the project execution which includes cost planning and cost analysis (Golany, 2009). While developing a communication and compensation plan the organization always focus on the purpose and audience while keeping several different techniques for delivering the key messages. The disclosure of message throughout the organization will influence by creating the high number of

early adopters. It is very important to focus on its implementation in order to succeed in the purpose for which it is designed. A good communication plan includes:

- Strategies, programs and models for compensation
- Benefit Plans
- Processes of performance management
- Adapting technologies to support the processes of compensation and the benefit programs.

The designed communication and benefit program is based on three levels as shown in the diagram below.



Phase I) In the first phase of post approval there is initiation of the compensation plan. This is the step where the organization's top management is directed to excite the employees and encourage them to be part of the journey with the organization.

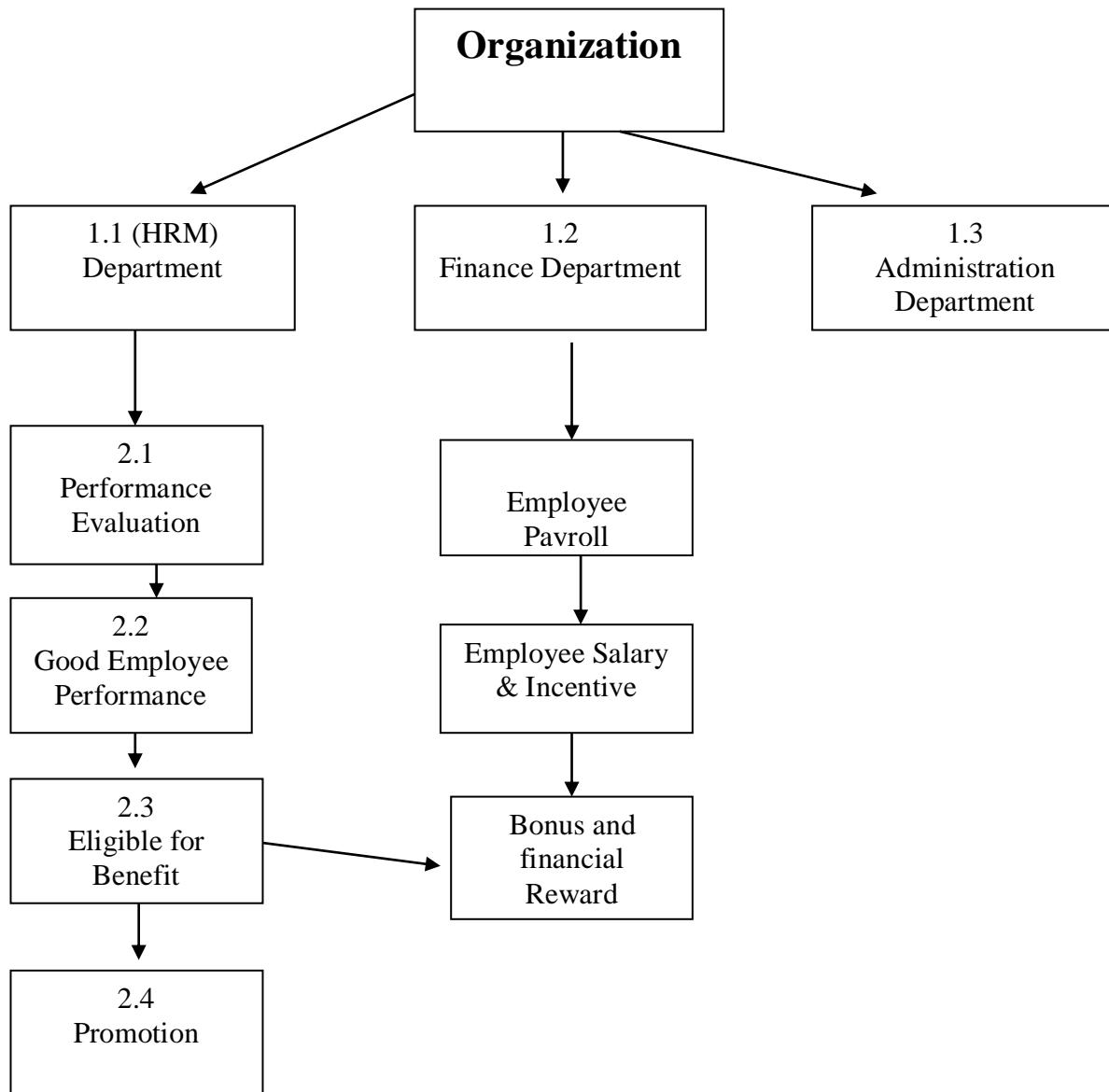
Phase II) In this phase of the compensation program, the employees are described and acknowledged with the advantages which the project possesses for the employees and the organization. The organization also encourages the employees to give the feedback or question the purpose of the program change. In order to ensure that employees are on the way to achieve

the organizational objectives they are informed with the targets and the milestones which have been achieved.

Phase III) In this phase of the compensation and benefits program the employees are directed not to stop communicating but keep implementing. In this way it can guide the employees with new processes, educate them and celebrate. The employees should be realized that celebration is for their contribution in enabling the organization to move to next level apart from the accomplishment of the project. In this way the employees will be motivated and will feel proud for being affiliated with such an organization.

Work Breakdown Structure

A well developed Work Breakdown Structure (WBS) will lead project members and employees in the better performance of the organization. The HR department ensures that the developed structure is understood by all the members of the team working on the project. There should be clear definition of all the dependencies, duration, level of effort and the resources. Furthermore the project manager must ensure that the design is valid and will achieve the purpose.



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