Compensation Plan and Competition from Google

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**Introduction**

This paper will put a spotlight on the topic of strategic compensation and its role in human resource management. The topic will be covered while analyzing the case of Google in which the compensation structure of the company will be assessed as well as compared with other similar organizations. A total reward and compensation program will also be composed for the employees of my company that will be market competitive; aimed to be even better than Google.

**Discussion**

**Compensation Structure for Google**

Google offers a highly lucrative compensation package for its employees which includes a market competitive base salary along with financial rewards (bonuses, provident funds, and insurance) as well as non-financial rewards (promotions, free meals, and trips). Other benefits include an attractive office setting including swimming pool, gaming facilities, fitness center, restaurants, clinic and even laundry for its employees. This compensation is attractive to make the job at Google a dream profession to have. It makes the employees feel like they are doing a home-based job or enjoying a vacation somewhere.

Despite an excellent working atmosphere and highly cooperative working environment, Google stills follow a hierarchy in the compensation structure. The highly paid employee of the company is Google’s CEO. The finance director of the company follows him. Similarly, when Google organizational hierarchy goes more down, the salary package will be less in parallel to the level of employee in organizational structure.

At the back end of this lucrative compensation, Google has three primary objectives on the basis of which they offer high basic salaries and excellent benefits. Firstly, the company aims to attract and retain its employees by providing them the compensation they are delighted to work at. Secondly, by giving jaw-dropping monetary and non-monetary benefits; the company expect high productivity from its employees. Google believes that its jobs are purely performance-based and therefore if the employees will perform better, they deserve high compensation in the form of high salaries and benefits. Lastly, Google expects an alignment between the performance of its employees and the performance of its shareholders.

The company's HR department solely manages Google compensation structure. They create a budget in which they allocate salaries to employees according to their performance. Usually, Google does not face a situation where it has to deduct the salaries of its employees because the Googlers are provided with an excellent working environment to work in and employees in there are by default hard working as Google aims to pick the best employees that deserve to have their share in Google’s compensation program. However, even such a situation occurs where there is a mistake in salary structure, the HR department thoroughly analyzes about what went wrong in compensation cycle and thus involve all employees in the betterment of compensation cycle for all employees.

**Difference between Google’s Pay Structure and Other Organizations**

Although the salary of Google’s CEO beyond $500k, it is still less than many CEOs of the world. However, the salaries of Googlers are apparently on the high side in comparison to other companies such as Apple and Walmart who don’t give compensation package to its employees as high as the search engine giant. Although Apple also provides a competitive remuneration package, Google still surpasses them in this regard. Even if the companies similar to a large firm like Google somehow start to give an extremely high basic salary and other monetary rewards, it still will not be able to surpass them when it comes to the working environment such large firms provide to its employees (Lawler & Worley, 2006).

Despite all the praise for Google’s pay structure, some former employees believe that Google is non-negotiable in its compensation package terms. They provide all the facilities at the workplace to suppress employee negotiation rights regarding their salary. This situation is not the same in other organizations. Many small firms in the same industry which cannot compete Google somehow provide negotiation opportunities in compensation for its employees. This makes employees appreciate the organization’s ability to be democratic.

Google has this ‘holocracy' which is apparent in the organization's freestyle culture considering the facilities they provide to their employees along with lucrative remuneration (Banjoko, 2004). However, considering the views of former employees, Google’s inability to negotiate remuneration package while keeping employees blindfolded with the facilities around them is where Google may be making problems for themselves. Once an employee gets any better opportunity regarding financial benefits in other organizations of the industry, he/she may leave Google once in for all. This is because sometimes money matters more than the facilities offered.

**Compensation Program to Attract College Graduates**

As a compensation and benefits manager, I would work on to make the workplace an absolute luxury for the personnel working in the company just like Google or maybe even better than them. The compensation package that will be provided to college graduates will be negotiable, and employees' concerns will be thoroughly addressed during negotiations. This is what college graduates are looking for; a highly competitive salary and an excellent working environment (Bibi et al., 2017). The program that I would provide will include a market competitive basic salary; a lump sum performance bonus to be offered to well-performing employees on a yearly basis; insurance; paid leaves to permanent employees; and a retirement plan which will make college graduates wish that they could retire soon to avail our lavish retirement policies. Along with the financial benefits, our company will provide cell phones, car and laptops to potential employees as well. With such facilities, I am sure that college graduates will be eagerly wishing to do a job in our company.

**Conclusion**

This paper thoroughly examined Google’s lucrative compensation structure and lavish benefits in the workplace. It also discussed how the company is working on to keep its employees happy to have high employee retention and low turnover. However, it was also emphasized that Google need to allow employees to negotiate salaries with them when required. There were some differences highlighted between the compensation structure of Google and other companies. Finally, there was proposed rewards and compensation program that I am aiming to launch for college graduates that will be our potential employees.

**References**

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